

## NEWS SUMMARY

### BUSINESS

**sterling & closes**  
**lds on at best**  
**ool level for**  
**ie 7 weeks**

African Government, the issue which gave month's demonstration townspeople, where people died, yesterday the compulsory Afrikaans in black

Both, Minister of Education, the did that instead of teach subjects in Afrikaans on a 50-50 can schools could opt to teach in either Afrikaans. Back Page

**ia raises**  
**ie spending**  
Asian security forces had killed another guerrillas in the

Mr. Ian Smith's announced a 40 per cent increase in defence expenditure, with a further security. Page 7

**ed after**  
**sy demo**  
dents, who included infants, three, for a 14-year-old boy

Monday's protest in Embassy in London day each hand over Road magistrates 50 to keep the peace

50 to keep the peace 50 to keep the peace 50 to keep the peace 50 to keep the peace

**in skyjack**  
Old Libyan, carrying stols and two knives to Palma. Majore: skyjacking a Libyans Boeing 727 on a

than Iranian flight. Key is thought to be organisation hostile to the Libyans

**crets**  
ment is to put proposals for making the

ecrets Act less and more effective, in told the Commons

**caught**  
lice killer Arthur was recaptured by

rs on the fringe of forest, Isle of Wight, 1 to Parkhurst prison.

**er denial**  
son, 39, charged with three sub-postmasters,

his arrest that he known as the Blackford Crown Court.

seven men and five, the case of 14 accused of assault, Birmingham pub bombers

son Crown prison, in allegations with trading failures. Page 8

**launched a Solar**  
ith a two-man crew orbital experiments

ave been asked to private cars at Heathrow of road works.

arch Campaign has search scholarship in Prof. Gordon Hamill who was killed by a mob in London last

er Peter Lotimer: profits were up 42 per cent, at 39, was fined £25 at £1.5m. in the year to March 31, theland, for taking chicks from nests.

**RICE CHANGES YESTERDAY**  
since unless otherwise indicated:

**RISES**  
79-81. 130.2 + 1  
106 + 6  
73 + 6  
32 + 3  
120 + 6  
and (G) 394 + 34  
155 + 4  
hex-Mark 180 + 7  
894 + 34  
states 210 + 21  
210 + 21  
175 + 3  
63 + 5  
142 + 4  
32 + 4  
82 + 5  
98 + 7

**FALLS**  
Allen Harvey & Ross 380 - 10  
Jessel Tynbee 84 - 4  
Lipson 11 - 11  
Read 222 - 5  
United 223 - 5  
BP 593 - 13  
Shell Transport 428 - 8  
Weeks Nat. Resources 76 - 5  
Harmway 390 - 10  
1112 - 4  
St. Helens 1111 - 4  
153 - 75

## SIGNS THAT ECONOMY IS ON THE UPTURN

# Healey now expects 5% growth

BY RICHARD EVANS AND PETER RIDDELL

OFFICIAL FORECASTS of the rate of economic growth have now been revised upwards. Mr. Denis Healey, Chancellor of the Exchequer, told the Commons yesterday.

Speaking at the start of a two-day debate on the pay and prices policy, Mr. Healey said the increase in gross domestic product in the year to the middle of 1977 is likely to be 5 per cent, as opposed to the 4 per cent expected while unemployment rises forecast in the April Budget. The rise in industrial output should be 9 per cent, against an 8 per cent increase projected earlier.

Earlier in the day, the Treasury's proposals for substantial cuts in public spending in the next financial year were discussed by the Cabinet for three hours but final decisions will not be taken before the end of the month.

The Prime Minister still intends to make a statement on further cuts of about £1bn. for 1977-1978 before Parliament rises for the summer recess. But timing will depend on progress made at a series of further Cabinet meetings, planned over the next three weeks.

### Deposits

In the Commons, the Chancellor also inted at the possible use of special deposits from the banks as a means of restricting the growth of money supply if necessary.

Mr. Healey referred to his determination both to prevent the appearance of excess liquidity in the system by "whatever mix of measures seems most appropriate" and to finance a large part of public borrowing outside the banking system. He gave the example of the issue of a new £1bn. 10-year stock last month and said that "on other occasions measures such as a

call for special deposits might be more appropriate."

The upgrading of the growth forecasts for the next 12 months follow the completion within the last few days of the normal summer revision of the National Income Forecast.

Mr. Healey made it clear yesterday that this reflected faster growth in industrial production and exports than as opposed to the 4 per cent expected while unemployment rises forecast in the April Budget. He claimed that the rate of economic growth was consistent with setting unemployment down to 3 per cent. in 1979.

The forecast of faster growth is likely to be used by Mr. Healey in support of arguments for a cut in public spending in 1977-78. He emphasised again yesterday that the expansion of productive resources will not be held back by competing public sector demands for finance.

Mr. Healey also indicated that the public sector borrowing requirement for 1978-79 should be somewhat less than the £12bn. forecast at the time of the Budget because of the rate of economic recovery. But there is still considerable official reluctance to quantify the extent of the change forecast, or of any new projections for 1977-78.

Although the emphasis in the public discussion and presentation of the spending cuts is on the need to shift domestic resources, the authorities clearly also recognise the concern felt overseas—for example by the IMF—about the need for significant reduction in the PSBR in 1977-78.

Ahead of his expected statement on the cuts later this month—senior Ministers' part

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MR. HEALEY: possible use of special deposits.

Particularly Mr. Callaghan and Mr. Healey, have already launched a campaign to soften any criticism from Labour backbenchers to what are likely to be highly unpopular cuts in cherished programmes.

There will be at least two meetings of the Parliamentary Labour Party to listen to backbench views, one before the Cabinet takes its final decision on the size and scope of the cuts, and the second on the day they are announced in the Commons.

In addition, Mr. Healey has already sought a meeting next Monday with the 80-strong Tribune Group of Left-wingers who have declared themselves opposed to any further cuts in public spending.

It will be vital for Ministers to head off a potential revolt by Tribune MPs, 37 of whom helped to defeat the Government in March by abstaining on a vote on the public expenditure programme.

It appears certain that one of the Government's main tactics will be to argue that cuts in public spending are necessary to direct more funds to industry in the National Enterprise Board.

Mr. Callaghan is likely to

Continued on Back Page

# Ogilvy to resign all his directorships after Lonrho report

BY MARGARET REID

Mr. Angus Ogilvy, husband of Princess Alexandra, yesterday said he would resign all his company directorships after being severely criticised in the Department of Trade Inspectors' report on Lonrho, of which he was a director until 1973.

The report on the company, the mining and industrial group with African interests which was the subject in 1973 of Mr. Edward Heath's remark about the "unacceptable face of capitalism," also severely criticised Mr. R. W. "Tiny" Rowland, the chief executive, and Mr. Alan Ball, the former chairman.

Criticisms are also levelled at other directors, including the present chairman, Lord Duncan-Sandys, in the 680-page report by Mr. Allan Hayman, QC, and accountant Sir William Slimmings.

Much of the criticism centres on the interest which Mr. Ogilvy and Mr. Ball shared with Mr. Rowland in the Nyaschere mine in Rhodesia and arrangements for financing it. The report contains references to U.K. sanctions legislation.

The arrangements made to pay the controversial proposed compensation of £150,000 to Lord Duncan-Sandys when he became chairman, and a more recent £307,000 expenses claim of Mr. Rowland also attract the inspectors' attack.

to attach an special significance to these facts. It was the frequent practice in complete DOT inquiry cases for a copy of the report to be passed to the Director and for him, if he required further information, to request the police to carry out an investigation since the Department had no facilities to make inquiries.

Indications are that the police inquiry may take up to a year to complete. The report recalls how through a South African company, HCC Investments, the Nyaschere company in Rhodesia, which had a copper mine, was acquired by Lonrho, which subsequently channelled in funds which it borrowed for development of the mine. Through other companies, Mr. Rowland had a considerable interest, and Mr. Ogilvy and Mr. Ball, smaller interests in Nyaschere.

However, added Mr. Ogilvy, "Because I have no legal redress, there is no way that I can effectively clear my name. I am thus placed in an impossible position with my colleagues

The report says that Mr. Ogilvy's family trust obtained its interest in Nyaschere in July, 1970; later the inspectors say that Mr. Ogilvy has consistently maintained that he was unaware in 1970 that he had acquired an interest in Nyaschere's Shamrock copper mine.

The report says, however, that the inspectors do not accept Mr. Ogilvy's evidence in this matter. Referring to the terms on which Lonrho group funds were made available to Nyaschere it says these funds were "unduly favourable to Nyaschere and in consequence to Mr. Rowland and the family trust" of Mr. Ball and Mr. Ogilvy.

"We believe that Mr. Rowland acted improperly as joint managing director in lending his authority and approval to these transactions from which he derived personal benefit without reference to the Lonrho Board or shareholders and in our view his conduct merits severe criticism."

The report also criticises the £307,000 expense account claim of Mr. Rowland approved by the Lonrho Board after controversy concerning Mr. Rowland's overdrawn personal account with the company. "In our view this claim which totalled £307,471 was prepared on a basis inconsistent with the facts."

The inspectors say that Lord Duncan-Sandys and director Mr. B. J. West did not discharge their duties in connection with Mr. Rowland's expense claim and that both attempted to shift responsibility on to others. Lord Duncan-Sandys is also criticised

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# Cold reduced steel runs short as demand rises

BY JUDY HODSON

THE BRITISH Steel Corporation is facing a cold steel shortage to deliver enough cold reduced sheet to meet the needs of the motor and the consumer goods industries as they are expanding production to cope with rising demand.

Steel stockholders report that the BSC cannot provide anything near its current requirements for cold reduced sheet. "Our allocations are shocking," said a senior figure in the industry. Both the stockholders and individual industrial customers for cold reduced sheet are concerned that there is no prospect of the shortage ending soon.

Supply forecasts discussed between the BSC and industry indicate that the shortage of cold reduced sheet will persist beyond the summer and probably until the end of 1978. "We understand it is likely to be as bad between October and December," a company said last night.

Foreign sources

In recent weeks manufacturing industry and steel stockholders have had to get 40 per cent of this sophisticated type of steel from foreign sources to meet production needs.

Although imports are running at such a high level for this type of steel they are unlikely to solve manufacturing industry's problems. Cold reduced sheet is not easy to get anywhere in Europe since industry has started restocking after the recession.

BSC's troubles in its strip mill division have seriously damaged its market share in the last three years. At one point it had lost half the home market to imports. The corporation clawed back a proportion of those sales but its present inability to supply is causing it to lose ground once again.

The BSC has not commented on its cold reduced steel problems beyond saying that there must be fluctuations in supply as demand rises and that the bulk of BSC customers are being supplied with most of their requirements.

One theory for the acute cold reduced sheet shortage is that the BSC has had serious internal disagreements about its product route. If, as is suggested, the corporation is giving priority to supplying customers with hot rolled steel, it would mean a diversion of steel from the cold rolled products route.

Restocking

Since that dispute was settled, output has continued to be disrupted because of technical problems with the pickling line—an essential part of the sheet steel treatment process.

The Shotton steelworks, which is an alternative BSC source of cold reduced sheet has quality rolled steel, it would mean a diversion of steel from the cold rolled products route.

Differentials

The recorded increase in sterling loans by the London clearing banks to the U.K. private sector was £131m. over the four-week period to June 16. However, this came at a time when the seasonal influences would normally have been downwards, so that the underlying rise is thought to have been substantially greater.

The figures for individual banks also highlight the impact of interest rate differentials. In the period when National Westminster Bank's rates were 3 per cent higher than at the other big banks, for nearly three weeks, after base and deposit rates were increased on May 25, NatWest was using an 11 per cent base rate against only 10 per cent at the other banks.

The bank stresses that the exact impact of the differential

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# if a Scotsman swallows his pride...



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## LOMBARD

## Neglecting the home side

BY C. GORDON TETHER

THE CALL which Mr. James Callaghan, the Prime Minister, made to the business community last week to attach a higher priority to investment in Britain had a very familiar ring about it, did it not?

Year after year, we have seen similar appeals going out from Whitehall—usually accompanied by sombre warnings about the sad state that would overtake the people of this country if they were not heeded. Yet British companies have devoted less and less to investment on the home front, while displaying an ever-increasing enthusiasm for building up their empires abroad. So it is not high time that the Government ceased to limit itself to wishful thinking and made an effort to discover where the trouble really lies as a prelude to taking meaningful remedial action?

This is obviously the common-sense reaction. And it so happens that it is given chapter and verse in the EAG Business Research Study report by Mr. Tom Huston and Professor John Dunning on "U.K. Industry Barred." Urging the Government to make a detailed investigation into the activities of British of foreign multinational companies are having on the economy, this asserts that existing British policy towards overseas investments "derives from no general principle and has been largely ineffective."

## Lop-sided

It would be difficult to conceive of a more damning indictment. Yet it is all too true. Earlier in the post-war period, the overseas investment figures and their significance for the country's overall payments experience regularly received public attention. And the Government of the day found it necessary to explain what the activities of British overseas companies were and to adjust official policy from time to time in the light of changing circumstances. But for some time past it has been the official practice to behave as though what was going on in this part of the field was unimportant enough to warrant more than passing notice and that in any case the situation was such that there was little hope for changing course.

The result is that there is very little awareness in the country at large of how important a part net capital outflows arising from investment activity are playing in adding to our external payments troubles. And there is equally little awareness

of the effect that the development of this lop-sided traffic is having on the levels of industrial investment—and thence of employment—in this country.

It will be recalled that one of the main arguments that the Heath Government adduced for taking Britain into the EEC market of 250m. was that this would spark off long sought after resurgence of industrial investment in Britain.

What the EAG report confirms is that British firms are going into production in other parts of the EEC in ways that are directly competitive with production in the U.K. Moreover, while British firms are increasingly supplying Continental markets from local facilities, Continental firms choose to service the U.K. market by exports rather than by producing here.

Since—as an international study has now confirmed—the inducements to investment in Britain provided by the State are as good as to be found anywhere in the industrialised world, this situation takes a lot of explaining.

## Structural

For one thing, far more attention ought to have been paid long since to a structural defect in the U.K. financial system which has often been mentioned in this column over the years and which Sir Frederick Catherwood, chairman of the British Institute of Management, featured as a major cause of the British sickness in an article he contributed to a recent issue of "The Economist," the European business magazine. This is the City's "international orientation."

As Sir Frederick observes, just because it is so international, it serves local industry less well than do capital markets in the European Community and Japan. Moreover, over the past ten years it has allowed its fears for the health of British industry "to cause it to look further afield rather than to bring it running to do what it could to help."

The EAG report comes out against using controls to ensure that the British business system devotes an appropriate large part of its available financial resources to investment at home rather than abroad. However, it has to be asked whether, at a time when so much investment is being financed from ploughed back profits, the community at large does not have the right to demand that its interests are safeguarded in this way.

## RACING

## Little opposition to Pougatchof

I CANNOT remember the last time a French-trained two-year-old came over for Newmarket's July Stakes and it will be interesting to see how the Richard de Tarragon-trained Pougatchof fares in today's running of this valuable and coveted six-furlong event.

This American-bred colt by impressive out of Ignare, an un-raced half-sister to top class sprinter Reality, has made one public appearance. Just over three weeks ago at Maisons-sous-Montfort he defeated the well thought of Barton by three lengths.

Like many of the horses in the ownership of Mr. and Mrs. M. J. M. Pougatchof is to be ridden by best jockey who, presumably, suggested the raid—and seems sure to make a bold bid.

With apparently sub-standard home-trained opposition to contend with, the cheaply-bought Pougatchof (an \$11,000 purchase) is suggested as the probable answer.

I expect to see him followed home by the under-rated King Elect, who might have retained his unbeaten record three weeks

ago had Pougatchof held him up for a late burst in Ascot's Fenwick Stakes.

Many backers will pin their hopes on Free State, a heavily-backed ante-post favourite for the William Hill Silver Vase.

## NEWMARKET

2.00—Sabote  
2.20—So Sharp  
2.40—Pougatchof  
3.30—Free State  
4.00—Oriental Star  
4.40—Bran Dutch  
5.10—Ragotina

## CATERICK

2.45—Hand Center  
3.15—Snow Forever  
4.45—Make a Signal

## DONCASTER

6.45—Fifth Wood  
7.15—Frisco Princess  
7.45—Tat-Tri Girl

The Peter Watkinson-trained Hot foot colts is held in such high regard by his partner, champion jockey Pat Eddery, has run well on all his five previous appearances.

Last time out he showed himself to be only just short of top class, while winning narrowly to give a fair amount of weight to

## BY DOMINIC WIGAN

Strabo and Lord Helpus in the Britannia Stakes over today's one-mile trip at Royal Ascot. A reproduction of that running should see him justifying his market position in 'impressive style.

With five smart handicappers, including Intermission and Hayloft, withdrawn from the Duchess of Montrose Handicap at the final declaration stage, the way has been made considerably easier for that game Falcon Bly, Oriental Star.

I cannot see one likely to lower the colours of Michael Stoute's strong three-year-old, who won from Rerice at Leicester in June after being disqualified for causing interference at Doncaster in the previous month.

A second likely winner for Stoute is the progressive Ribblesdale, who showed that he was returning to his best for mwhen finishing fourth to Shamuzo in the King George V Stakes at the Royal meeting.

He is suggested with confidence for the Clare Handicap (440), where he will be up against only two other runners, Futu and Silversmith.

## SALEROOM

## BY ANTONY THORNCROFT

## £70,000 for Egyptian statue

THE REVIVAL in demand for Chinese works of art was impressively confirmed at Sotheby's last major sale of the season yesterday, which totalled £639,775. Many of his prices were exceptional.

S. H. Chan, a Hong Kong dealer, paid £53,000 (plus the 10 per cent, buyer's premium) for a rare early 18th century saucer dish, decorated with brown branches. An anonymous buyer gave £52,000 for an even rarer 14th century Yuan copper red and blue glazed bowl. Both prices were well above their estimates.

Other outstanding results were the £48,000 from Hugh Moss for a ruby ground Kang Hsi censer, made for the Emperor, and the £44,000 from Chan again for an enamelled Ming Tsoi wine cup from the first period of enamel wares in the late 15th century. An identical cup sold for £6,000 at Sotheby's in 1966.

Also worth noting were the £34,000 for a previously unrecorded green glazed lamp, the 16th century, from Northern China; £32,000 for a Tang glazed figure of a polo player; and £31,500 for another Tang figure, of a saddled horse. At Sotheby's sale devoted to Oriental miniatures, manuscripts and Qajar paintings, which



Lady of House Enehey.

Sold for £70,000.

totalled £74,210, the Felton Bequest of Melbourne paid £5,800 for a portrait of a Bahari prince, from nearly 18th century India. A Qajar painting of a man playing a fiddle sold for £5,000 to an Iranian collector. An Egyptian seated statue from the late 18th to the early 19th dynasty, the kind of object which only rarely appears in the saleroom, was sold at Christie's yesterday for £70,000 to the

Japanese dealer, Matsunaka (who will have to pay a further £7,000 in premium).

The limestone tomb statue, just over 4 feet high, is of the Lady of House Enehey, and its history is obscure, but it was sold by the Lord's New Church of Pennsylvania which inherited it from the late Reverend Theodore Pitcairn, also a noted collector of Impressionist paintings.

Christie's had perhaps hoped for more from the statue, but this is a very specialised market, the antiquities sale totalled £153,653.

The Jenkins vase, an urn over five feet high, with the base dating from the time of the Emperor Augustus, was sold to the London dealer Cyril Humphries for £13,000. It depicts the marriage of Helen and Paris. Its name derives from the 18th century antiquarian, Thomas Jenkins.

Matsunaka paid £8,500 for an Umbrian votive figure of a warrior, dated 450 B.C. An Attic amphora of around 450 B.C., depicting Lord Belphe, went for £4,500.

The Fitzwilliam Museum, Cambridge, gave £530 for another Attic vase and the University of Queensland £450 for an Etruscan bronze mirror plate.

## GOLF

## Irwin's long irons may rule the week

TO SAY that a British victory in the 195th Open championship at Royal Birkdale over the next four days is as likely as the rain-wear manufacturers exhibiting their wares in the magnificent exhibition tent making a record profit, is more than a little unflattering. But it is true.

Everyone is talking about the "British revival," but the moments of truth in the Open are obviously going to be a golfer who has completed all year—and probably for many years before—has the most complete command of the long irons. There is only one golfer from the home country or countries that comes into that category, namely Peter Oosterhuis.

It is one of the tragedies of our time that it is so difficult to read anything coherent about the feats of our sporting heroes abroad. In fact Oosterhuis was dismissed in a couple of paragraphs, baldly stating his 9th place finish in the Western Open at Butler National Golf Club in Chicago two weeks ago.

I happened to be commenting at that event, and have never been more appreciative of the fine line that exists between success and failure. With six holes to play Oosterhuis was out fourth at five over par, the eventual winning score. Alas, he dropped strokes to par at the 14th and 17th holes and another two at the 18th, which he rightly regards as the most difficult finishing hole in American tournament golf, to end as a mere also-ran behind his great friend Al Geiberger.

Geiberger is a sorry absentee here, almost certainly because it is insisted that he compete in the white heat of New York next week in the \$300,000 Westchester Classic, a designated tournament for the excited few. By scheduling such an event immediately behind our Open, U.S. PGA tour commissioner Deane Beman has put more than a little pressure on players like Geiberger, who finished second in the U.S. Open before winning in Chicago. There is only so much that a man can physically stand in terms of travel and time.

Oosterhuis is obviously the best—and in my opinion the only—British hope with a realistic chance, well as Tony Jacklin always plays under these circumstances. He has at least matched the glories of yesterday at Royal Lytham in 1969, when he became the first British player since Max Faulkner won the title in 1951 to accomplish this particular feat.

A factor at Royal Birkdale this week will obviously be the

ferocious heat. Yesterday afternoon at 4 p.m. the official recorded "temperature" on the course was 93 degrees. The day likely to be bone dry despite the Herculean efforts of head greenkeeper Douglas Pate and his men to keep it green, and the Na. 1 iron is likely to be a major factor if, as the forecasters expect, the weather remains much the same until weekend.

In these conditions a lot can depend upon the draw. It is obviously no handicap to start out early, but it may definitely become one in the later stages.



The last trio is due to tee-off at 4.15 p.m. and this is more likely to be closer to 5.

If only because he recorded his first Open championship victory at Muirfield in 1966, largely by virtue of his brilliant use of the one iron from the tee, Jack Nicklaus must be a worthy favourite at 9-2.

Nicklaus starts at 12.30 today alongside the five-times champion Australian Peter Thomson, who won his first and last titles here in 1944 and 1966. On the latter occasion Thomson was superb in manipulating the ball with his three-wood.

The veteran Thomson is unlikely to be a factor again, but it is of great satisfaction to him and all his countrymen that there are no fewer than 14 Australians in the championship proper.

Of these, the former Perth mathematics teacher, Graham Marsh is obviously the leading contender, especially since Jack Newton, last year's runner-up, reports that his mysterious foot ailment—diagnosed as anything from a torn ligament to a tumor—is giving him more and more trouble. He went to yet another doctor last night, and may not play.

I filmed last week in Ireland with Marsh, Gary Player, U.S. Masters Champion Ray Floyd and Jacklin, and by far the best man on current form of that small group must be Marsh, who is quoted at 25-1 alongside Floyd, defending champion Tom Watson, and U.S. Open champion Jerry Pate, and Neil Coles, who many

think possesses the "one iron" at the age of 34. It is likely to be felt between now and the future.

So let us rub in an effort to give to those with a mustache, because the day none too well resident in his is such a great fairway word to be on anyone's mind.

The second in Miller (8-1) is a He arrived here after a long absence from the scene of Tony Lewis but he appears motivated and his mixed character.

Yesterday he round the course week-by-week to save that 16-1. He was back from the Open.

I have known years and know frustrated by his play. Of those I believe he is together in the way at present, best of all. It is he is in select.

Of those still defending chair none too happy while Watson's fractional work, and Marsh an spiked up green. do at 3-5, will hope of Britain has a horrible leaving the club.

There is obvi of a record set previous year. Nearly 90 year Taschenforn d'ersers is into and should not French or English German descri in collected. I mileage out of would now cost am not sure the Unserer Alpen helped me mor due to this s my days with Be Society whose able successors when I found myself among Majorca's convol-in print both time.

Polonia's bigger Flowers of Europe, a field guide, is here or bought and I have offe you find Hegl's it this old at book should be once. I have s a splendid book but not one to lug out into the meadow; there book-shops and can still be pick by those on their botanical holid.

## TV/Radio

† Indicates programme in black and white.

## BBC 1

7.05 a.m. Open University (UHF only). 10.55 Golf: The Open Championship. 1.15 p.m. News. 1.30 Bod's Present. 1.45 Golf: The Open. 4.23 Regional News (except London). 4.25 Play School. 4.50 Bappap. 5.15 The Changes. 5.40 Barbapapa. 5.45 News. 6.00 Nationwide (London only). 6.20 Dr. Who. 6.45 Montreal—A Royal Pursuit: candid, informal look at Princess Anne and Captain Mark Phillips. 7.20 The Great American Pic-

ture Show: "The Adventures of Robin Hood," starring Errol Flynn.

## BBC 2

9.00 News. 9.25 Explorers. 10.15 André Previn's Music Night. 11.10 Tonight including The United States Welcome to the Queen. 12.00 Weather/Regional News. All regions as BBC 1 except at the following times: Wales—4.50-5.15 p.m. Y. Tir Newydd—America. 5.15 Heddiw. 6.00-6.30 Wales To-day. 7.20 Go With Noakes. 7.45 The Osmonds. 8.30-9.00 The International Eldested. 12.00 News and Weather for Wales.

Scotland—9.25 a.m. Dastardly and Muttley (cartoon). 9.45 Jackanory. 10.00 Devlin. 10.25 Roobarb. 10.30-10.55 Country Search. 6.00-6.30 p.m. Reporting Scotland. 12.00 News Summary and Weather for Scotland. 12.45 p.m. Northern Ireland News. 6.00-6.20 Northern Ireland News. 6.00-6.20 Scene Around Six. 12.00 News Summary and Weather for Northern Ireland.

## BBC 2

6.40 a.m. Open University. 10.25 Nat. Zindast Naya Jeevan. 11.00 Play School. 4.25 p.m. Golf: The Open Championship. 7.20 News on 2. 7.40 Gardeners' World. 8.10 George Hamilton IV and Other Folk. 8.25 Who Said That? 8.50 Happy Birthday America. 9.30 The Love School. 10.50 Golf: The Open (highlights). 11.40 Newsnight. 11.55 Shadow. Lyndon Brook reads "Rembrandt" by Elizabeth Jennings.

## LONDON

7.45 a.m. Bertrand Russell Speaks His Mind. 10.00 Advanced Driving With Graham Hill. 10.25 Keep Britain Beautiful. 10.30 News. 11.00 Inner Space. 11.25 The Royal Show. 12.00 Here Comes Mumfie. 12.10 p.m. Trumble. 12.30 Three Little Words. 1.00 First Report: News. 1.15 TT index. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Racing from Newmarket. 3.25 The Royal Show. 4.25 Michael

Bentley's Pottery Time. 4.50 Hogg's Back. 5.20 The Flintstones. 5.30 News from ITN. 6.00 To-day. 6.35 Crossroads. 7.00 Don't Ask Me. 7.30 Coronation Street. 8.00 Summer Night Out. 9.00 Killers. 10.30 Listen to My Music: "A Tribute To Ted Heath and his Music". 11.25 What The Papers Say. 11.50 Wrestling.

## ANGLIA

10.30 a.m. Halls and Ketcher Cartoon. 11.40 Here Comes the Future. 11.55 Jane Austen and Her World. 12.30 Learning Something Practical. 1.25 a.m. Anglia News. 2.00 Sonoparc. 5.20 The Beachcombers. 6.00 About Anglia. 11.00 Wrestling. 12.05 a.m. The Big Question.

## ATV MIDLANDS

10.30 a.m. The Life and Times of J. W. Raffles. 11.00 News. 11.15 ATV Today including Junior Police Five (Part 1). 6.30 ATV Today (Part 2). 12.00 Wrestling.

## BORDER

11.05 a.m. Jane Austen and Her World. 11.30 Learning Something Practical. 1.25 a.m. Border News. 2.00 Sonoparc. 5.20 The Beachcombers. 6.00 About Anglia. 11.00 Wrestling. 12.05 a.m. Border News Summary.

## CHANNEL

12.30 a.m. Channel Lunchtime News and Weather. 1.00 News. 1.15 News and Weather in French followed by Epilogue.

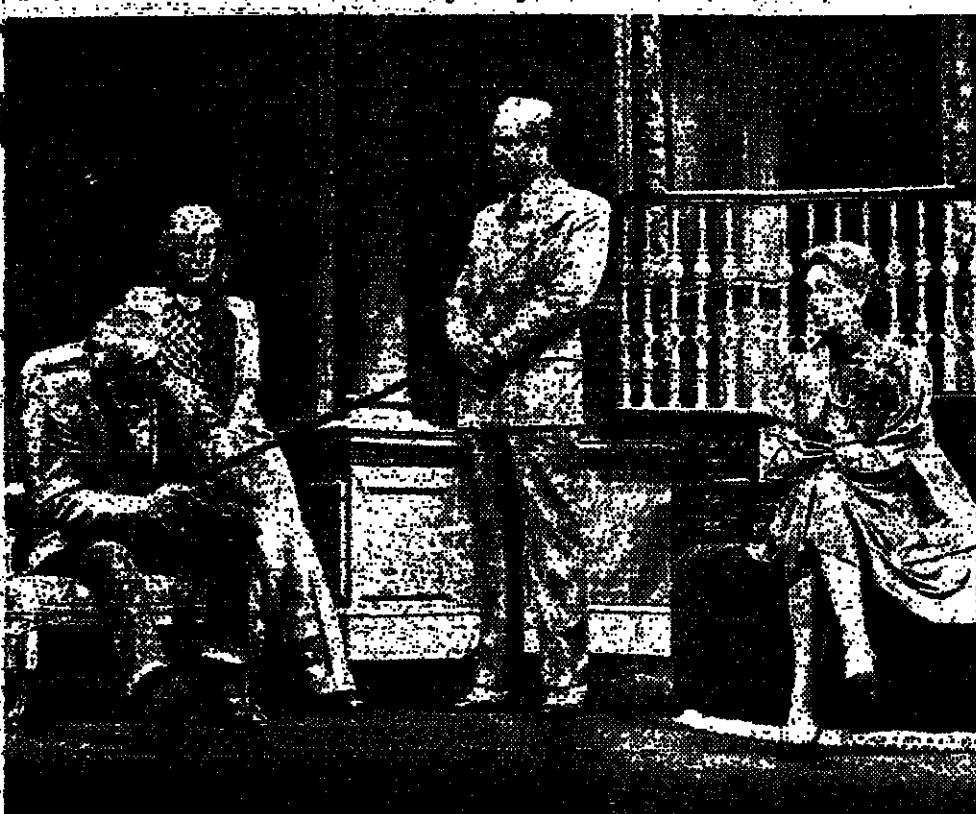
## GRAMPIAN

11.05 a.m. Jane Austen and Her World. 11.30 Learning Something Practical. 1.25 a.m. Grampian News. 2.00 Sonoparc. 5.20 The Beachcombers. 6.00 About Anglia. 11.00 Wrestling. 12.05 a.m. Grampian News Summary.

## GRANADA

10.30 a.m. Peter Wood. 11.15 Peter Wood. 11.30 News. 11.45 Peter Wood. 12.00 News. 12.15 Peter Wood. 12.30 News. 12.45 Peter Wood. 1.00 News. 1.15 Peter Wood. 1.30 News. 1.45 Peter Wood. 2.00 News. 2.15 Peter Wood. 2.30 News. 2.45 Peter Wood. 3.00 News. 3.15 Peter Wood. 3.30 News. 3.45 Peter Wood. 4.00 News. 4.15 Peter Wood. 4.30 News. 4.45 Peter Wood. 5.00 News. 5.15 Peter Wood. 5.30 News. 5.45 Peter Wood. 6.00 News. 6.15 Peter Wood. 6.30 News. 6.45 Peter Wood. 7.00 News. 7.15 Peter Wood. 7.30 News. 7.45 Peter Wood. 8.00 News. 8.15 Peter Wood. 8.30 News. 8.45 Peter Wood. 9.00 News. 9.15 Peter Wood. 9.30 News. 9.45 Peter Wood. 10.00 News. 10.15 Peter Wood. 10.30 News. 10.45 Peter Wood. 11.00 News. 11.15 Peter Wood. 11.30 News. 11.45 Peter Wood. 12.00 News. 12.15 Peter Wood. 12.30 News. 12.45 Peter Wood. 1.00 News. 1.15 Peter Wood. 1.30 News. 1.45 Peter Wood. 2.00 News. 2.15 Peter Wood. 2.30 News. 2.45 Peter Wood. 3.00 News. 3.15 Peter Wood. 3.30 News. 3.45 Peter Wood. 4.00 News. 4.15 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glas Fairbanks Jr., Belinda Carroll, David Langton and Dinah Sheridan in "The Pleasure of His Company," which opens to-night at the Phoenix Theatre

## Hampton Festival

# Fourth of July concerts

by MAX LOPPERT

start of the Sunday even-  
BBC Symphony Orchestra  
in the Town Hall.  
most predictable—Charles  
Fourth of July, the com-  
at his most exhilarating,  
enhancing celebration of  
ing and uncontainable  
energy. The punchy,  
performance under Law-  
Poster made a good start  
programme of Barber,  
win and Copland, not  
ly successful in all its parts.  
back's *Donnerstag* for bar-  
(Brian Rayner Cook) and  
quartet was quite over-  
by the acoustics—but effec-  
in lifting sweat-dampened

notable departure from  
of the Bicentennial orches-  
concerts of the last month  
was the inclusion of a  
ly uncompromising and  
to Concerto for Violin and  
by Roger Sessions, this  
its first British perform-  
As an admirer of the  
bonies and string quartets  
is revered senior American  
oser, I immediately recog-  
and respected the con-  
s' unflinching integrity, carry-  
on the Schoenbergian line  
musical argument in a  
ner at once thorough and

forceful, but I have to say that,  
except for a few moments of  
neo-Brahmsian lyricism in its  
central *Adagio*, the music  
seemed not to exist in spaces.  
This is despite the wonderfully  
ardent enthusiasm with which  
the soloists György Pauk and  
Ralph Kirschbaum threw them-  
selves at their difficult parts.  
Earlier in the day, the Nash  
Ensemble had continued this  
year's Bliss explorations with a  
chamber concert entitled "The  
Revolutionary Blues." This meant,  
principally, *Madame Noy* (1918)  
and the one-notorious *Rout*  
(1922), both for soprano and  
small ensemble (conducted here  
by Lionel Friend) and both sung  
with accuracy, verve and charm  
by Jane Manning.

Though hindsight wisdom is  
the easiest kind, the comfortable  
expansiveness of Bliss's later  
music is not the only factor to  
pose a question mark about the  
use in this context of the word  
"revolutionary": the works them-  
selves, full of galle spryness  
warmed by English good humour,  
still such fun to hear, are hardly  
well covered by an epithet that  
still seems appropriate to the  
Stravinsky and Varese works of  
the same period. This is not a  
criticism, only an attempt at  
perspective.

The concert also brought forth  
ward two festival commissions,

one by Malcolm Williamson. An  
affectation salute to his pre-  
decessor as Master of the  
Queen's Music, this Trio for  
violin, cello and piano takes its  
inspiration from a phrase of  
Bliss's Music for Strings; gener-  
ally elegiac and pensive in  
mood, the music works a sur-  
prising amount of strength and  
purpose out of some of the  
most ungratifying chords and  
textures. There is a deftly bony  
syncopated waltz as middle  
movement, expressly intended  
to reflect Bliss's similarly un-  
stuffy composing brio.

Quite different in mood and  
style was the one of other first  
performance, written for and  
dedicated to Miss Manning by  
her husband, Anthony Payne.  
*The World's Winter*, inspired  
by the fertile contradictions of  
image and feeling in Tennyson's  
poem, is one of his most in-  
teresting qualities. Musical  
images abound, in the instru-  
mental parts and in the vocal  
line, for natural growth and  
decay—obvious as such while at  
the same time persuasive of  
their utterly fresh originality.

## Television

# Mid-summer mixture

by CHRIS DUNKLEY

Attention all readers locked in  
windowless air-conditioned  
rooms: it is summer. You can  
tell by switching on your tele-  
vision sets. The BBC have Test  
cricket, Wimbledon and—in nine  
days time—the Olympic Games.  
Never in the history of television  
has so much sports coverage  
been provided for so many  
viewers by one broadcasting  
organisation. At least that is  
the BBC's hope and I have no  
doubt that it will be fulfilled.

ITV having parleyed and  
argued with the BBC for years  
(or in this particular case well  
over a year at any rate) about  
alternating or in some other way  
sharing coverage of the  
Montreal Olympics, and having  
had very little to say in the  
decision to put the best possible face on  
things by turning necessity into  
a virtue and have pulled together  
what they call The ITV Summer  
Festival. This they have  
launched with worthy pro-  
nouncements about offering the  
public a genuine alternative.  
They have launched it a couple  
of weeks ahead of the opening  
of the BBC's Olympic coverage  
in the hope that the public  
would imagine) of hooking us  
all so firmly on "new" series  
and serials that we shall be  
quite unable to tear ourselves  
away in order to watch Dave  
and Goliath and the other  
boys and girls Going For  
Gold in Canada.

If not the best quality tele-  
vision schedule in the world, this  
effort by ITV is, at least, making  
an improvement on the usual  
dreadful mid-summer mixture.  
Instead of third-rate repeats  
and third-rate old movies we  
are being offered second-rate repeats  
and second-rate old movies, and  
even occasionally genuinely  
new productions such as *Killer*,  
*Shadow Line* (which was Very  
Andrew Walda—Very Conrad)  
mixed with the usual quantities  
of American imports, some of

It's A Knockout played by pro-  
fessionals, featuring a full fort-  
night with David Maskell stand-  
ing in for Stuart Hall and Jack  
Kramer in the role of Eddie  
Waring.

Being neither a tennis buff  
nor even a tennis player (like  
most viewers, I suspect) I do  
not know whether this change in  
Wimbledon is supposed to have  
for it. I do know that even in  
the relatively few years that I  
have watched on television there have  
been big changes.

That it is, unquestionably, in  
the Miss World category now was  
proved by the fact that coverage  
of the tournament was prefaced  
by a programme presented by  
David Vine without whom no  
television Wimbledon is quite  
complete these days. Of course  
this programme told us nothing  
really useful—nothing about how  
the tie-break are, what instruc-  
tions umpires are given about  
overruling line judges on bad  
calls, the sort of information that  
hundreds of thousands of arm-  
chair fans would dearly welcome  
in preparation for the only tennis  
they ever watch—but he was  
there, chatting inconspicuously  
in sub-Whicker tones to some  
of the competitors, and that (in  
the BBC's view, it seems) was  
the important thing.

Technically speaking the  
tournament was as professionally  
televised as ever, even if Slim  
Wilkinson and his team still do  
not have the wherewithal to  
cover matches on the outside  
courts when they turn out to be  
important. This year they intro-  
duced a low-level camera behind  
the base line at end of the Centre  
Court with which they fed us  
(if only a morsel at a time) with  
terrifying shots of fast services.  
It was reminiscent of the arrows  
that have been over our heads  
so it seemed in the cinema  
in the days of those red and green  
3-D glasses.

Dan Maskell was as valuable  
as ever with his affectionate  
enthusiasm and his occasional  
extraneous remarks. He said of  
Wawrinka that he held his racket  
"angled as though he was going  
to slice cheese with it," and of  
Chris Evert "she's really making  
the gut sing in her racket  
today."

He managed to put  
countless favourable implications  
into his favourite phrase—"On  
his favour, performance most  
played!"—simply by  
modifying his expression: it  
varied from an exclamation of  
sheer admiration to one of warn-  
ing for a supposedly superior  
opponent.

One Virginia Wade fell  
and Maskell let forth an involuntary  
"O-er." She got up and he re-



Consolation and congratulation—Nastase and Borg on Saturday

marked "All is well," adding in  
an afterthought which said  
everything "Physically."

In almost absurd contrast Jack  
Kramer spent the fortnight pro-  
ducing a series of phrases which  
varied from the ludicrous to the  
deceivable ("My goodness  
Dan she threw three blisters in  
there eh?" and "Virginia just  
wants to do so well so badly")  
to the incomprehensible ("He'll  
make some errors out of things  
that haven't got too much on  
which it has changed as a tele-  
com") all of them delivered in  
neatly opaque American accent  
and phrasing ("A real  
example Don don'ta just love  
the way when Miss Baker re-  
turns a short one Miss Bueno  
just takes the racket back and  
blocks it a little deeper.")

I am all for the brotherhood  
of man and destroying artificial  
frontiers between people, but I  
am also all for those who work  
in the mass communications  
media actually communicating.

Why a British audience has to  
be subjected to this sort of non-  
sense, goodness— and perhaps  
the BBC—knows.  
In terms of the BBC's coverage  
Wimbledon has not changed very  
much. The significant way in  
which it has changed as a tele-  
vision event is in the atmosphere  
that permeates the entire tourna-  
ment. This used to be a charm-  
ing, vivacious, happy, attractive  
fortnight of sport from which  
you expected a mixture of  
eccentricity, upsets, unpredict-  
able genius and equally unfur-

seeable patches of dullness, all  
taking place in fairly high and  
happy spirits.

Now the prevailing impression  
is of a lot of dour, glum, serious  
people, hard at work earning the  
extraordinary sums of money to  
which they have become accus-  
tomed, and very worried indeed  
lest their earnings should be  
down by a fraction—just a few  
hundred thousand dollars—at the  
end of the year.

In this respect the women are  
even worse than the men, or  
very own Virginia Wade offering  
a prime example of the grumpy,  
shoulder-slumped, hair-flouring  
manner in which so many of  
the matches were played this  
year. Only Greer Stevens in the  
mixed doubles and Lise Nastase  
in some parts of some of the early  
rounds of the men's singles gave  
the impression that they would  
have been happy to have been at  
Wimbledon and playing tennis  
whether or not there was prize  
money involved.

There are two changes that  
could be made to the tournament  
next year which would bring  
some of the verve and gaiety back  
to the occasion and make it once  
again worthwhile for all those  
housewives and shift workers to  
draw the curtains for Wimbledon  
fortnight and stay indoors in  
front of the box instead of wan-  
dering off to the swimming pool,  
and also make it attractive once  
more for the rest of the viewing  
public to watch Match Of The  
Day on BBC2 in the evening: an  
amateur section of the tourna-  
ment should be opened, and the  
professional ladies could be  
taken at their word and given  
the equality of treatment which  
their leaders have so sedulously  
pursued.

Most amateur boxing is very  
much more interesting to watch  
than most professional boxing  
nowadays and there seems no  
reason to suppose that the  
would be any different—amateurs  
might very well bring some fun  
back into the proceedings.

And in the professional circus  
few pleasures would be so sweet  
as that of watching some of the  
most professional boxing of the  
modern era (Martina Navratilova, say) tak-  
ing serve from one of the  
of the stronger men (Roscoe Tan-  
ner, say) once the ladies have  
been given their equality and  
most of the professional ladies  
now simply have single-

## mpstead Theatre

# Sparrowfall by MICHAEL COVENEY

agine that old BBC TV soap  
series Compact rudely over-  
by a Raymond Chandler  
and you will be approach-  
ing a idea of what this entertain-  
piece of Alan Drury is all  
t. The new British theatre  
et some vague precedents  
its stylistic exercise with  
i Hare's *Knockout* and Hare  
Breathin's *Brusbrook*—the  
with its re-working of class  
are in thriller parody form,  
second in its response to  
a sensationalisation of the  
son affair. On Monday we  
an admirably controlled  
and about emotional and  
vers intrigue among the new  
of public-school City boys  
vell as a tongue-in-cheek  
on of how the backstage  
I have operated during the  
s, still-unpenetrated truth  
of Lucan and Stonehouse

ese random elements are  
bly contained in John Chap-  
man's elegant, incisive pro-  
n that moves with cine-  
fluidity from one personal  
inter to the other. In his  
playwrighting career  
Mr. Drury has settled for  
oping his themes through  
r monologue or one-to-one  
ue. The method is con-  
d, but to a new degree of  
etence. At curtain-up, the

story so far is that Peter Lord  
has been ousted from bed and  
office by a combination of scar-  
dals that reverberate through a  
closely-knit group of individuals.  
Sarah his wife (Katherine Faby),  
Howard Needham his strongest  
business associate (Michael  
Kitchen), Giles Edwards the  
office fall-guy (Jeremy Blake),  
and Cathy, Needham's secretary,  
and everyone else's *femme fatale*,  
reactions, none finer than that  
(Suzanne Bertish). Into this  
suburbia of the bourgeoisie, the  
Howard Needham and Butcher  
world, wades the confident, slimy  
in-depth reporter of a quality  
Sunday, Simon Wilson (Mark  
Wing-Devey).

A reading of the script had  
prepared me for the freshness,  
of dramatic invention but not for  
the sure feel with which Mr.  
Chapman, abetted by some ex-  
cellent, atmospheric soft rock  
music by Brian Eno (formerly of  
Roxbury Music), elaborates the  
text—revenge plan. And Mark  
Wing-Tanya, McCullin's design is  
a sleek, grey, black and bloody  
functional furniture, and Lindy  
Henning's costumes achieve a  
marvellous pictorial shift from  
stone pin-stripes to khaki casuals.

How good it is to see a fine,  
a gifted cast gives good cast  
with a sense of ensemble style,  
consciously parodistic statements,  
even crackles with wit, chal-  
screw me but you couldn't trust  
me" and, in a more overtly  
misogynous vein, "All these

physical unpleasantness and in-  
capable of connected thought as  
well." The first remark is  
addressed by Cathy to Needham,  
the second by Edwards to Cathy.  
The spring to the play is pro-  
vided by Lord's determination to  
return from a hideaway on a  
clandestine Essex airfield, to the  
life office fall-guy (Jeremy Blake),  
and Cathy, Needham's secretary,  
and everyone else's *femme fatale*,  
reactions, none finer than that  
(Suzanne Bertish). Into this  
suburbia of the bourgeoisie, the  
Howard Needham and Butcher  
world, wades the confident, slimy  
in-depth reporter of a quality  
Sunday, Simon Wilson (Mark  
Wing-Devey).

Monday's early evening  
chordal recital in that lovely  
church did not aspire to such  
heights. There was a single  
chordal piece, "To hear a single  
works by Andrea Gabrieli,  
Domenico Scarlatti and Vaughan  
Williams for that sum is good  
value, and not only by today's  
inflated standards. All the same,  
this Festival is not exactly the  
kind of little local affair where  
one can be indulgent about levels  
of performance and this concert  
was not up to much.

English Singers is Andrew  
Morris, Organist and Director of  
Music to this church. The  
material is willing and enthusi-  
astic but uneven, with some

## St. Bartholomew-the-Great

# New English Singers

by RONALD CRICHTON

The memorable things in a  
Festival of the City of London  
have often proved to be, not  
the big do's in St. Paul's and  
elsewhere but smaller, more  
intimate occasions, equally  
remote from ordinary London  
concerts but with pro-  
gramme, performance and a  
more originally matched. Such,  
during the last Festival, were  
the concerts in St. Bartholomew  
including an Incomparable  
Bruckner E minor Mass under  
Barenboim and the first per-  
formance (with Julian Bream  
as soloist) of Berkeley's Guitar  
Concerto.

Monday's early evening  
chordal recital in that lovely  
church did not aspire to such  
heights. There was a single  
chordal piece, "To hear a single  
works by Andrea Gabrieli,  
Domenico Scarlatti and Vaughan  
Williams for that sum is good  
value, and not only by today's  
inflated standards. All the same,  
this Festival is not exactly the  
kind of little local affair where  
one can be indulgent about levels  
of performance and this concert  
was not up to much.

English Singers is Andrew  
Morris, Organist and Director of  
Music to this church. The  
material is willing and enthusi-  
astic but uneven, with some

voices which don't blend in a  
small choir specialising in music  
often sub-divided. They are also  
careless about clean intonation.  
Mr. Morris conducted in a fiddly,  
peppery sort of way, as if a  
capella music would be intolerable  
to a modern audience without  
overheated little maxims and a  
deal of egotistical "expression".  
There were signs, as well, that  
the results could be much better,  
but that only added to the sense  
of disappointment.

In the Gabrieli Magnificat  
there were no instruments  
serenity and grandeur were less  
in evidence than a hectic quality  
presumably intended for Venetian  
sensuousness. Scarlatti's  
fascinating Stabat Mater suffered  
in the same way. Intonation  
grew worse—it was regrettably  
unsure in the G minor Mass of  
Vaughan Williams, a mastery  
fusion of his style with what  
he loved and learned from the  
English past (Falla did  
something similar in the  
choruses in *Atlántida*). There  
are three main Festival concerts  
in the church, the English  
Chamber Orchestra on July 8,  
the Monteverdi Choir and Or-  
chestra on July 9, and Henze's  
version of Carissimi's *Jephtha*  
on July 14.

## Bishopsgate Hall

# Gabrieli Quartet

by PAUL GRIFFITHS

Nine years after their first  
recital, which took place in the  
Bishopsgate Hall, the Gabrieli  
Quartet returned again to open  
a series of unexciting string  
quartet recitals which will con-  
tinue throughout this week.  
Given under the joint auspices  
of the City Music Society and  
the City of London Festival, the  
recitals are given by five dif-  
ferent ensembles, though the  
programmes are uniformly con-  
ventional. Nobody should com-  
plain at that, however, if the  
playing keeps to the standard  
set on Monday by the Gabrieli  
The weather, of course, was

no help to them, and they  
declined to, to their  
luckless event, at the shouted  
suggestion of a cheery member  
of the audience. But if the heat  
and humidity were responsible  
for a few blemishes on the en-  
semble's clean sound surface,  
they more than made up for  
that with playing of muscular  
life and alert rhythm. Kenneth  
Sillito, the first violin, con-  
stantly kept his line under a  
slight tension, so that nothing  
was allowed to fall impotent.  
His colleagues, though some-  
what softer spoken, were there  
to provide tightly projected  
answers and counterpoints, and  
when the four banded them-  
selves together for a movement  
of rhythmic vigour, such as the  
finale to Beethoven's op. 69  
No. 2, they could perform with  
thrill.

Unanimity in the longer term  
was one of the specially pleasing  
features of the Gabrieli playing.  
Points of formal articulation were  
subtly marked with a general  
feeling of relief, questioning,  
expectation or whatever, and so  
the patterns of the works, Haydn's  
Op. 50 No. 6 as well as the  
Beethoven, emerged with clarity.  
Nor were the details passed over:  
such things as the astonishing  
angularities of two-part writing  
in Haydn's last movement, or the  
combination of two violins and  
viola as a single instrument in  
Beethoven's first were realised  
with freshness and exactitude.  
It was a recital to show that ex-  
pressive chamber playing is not  
dependent on a heavy cloud of  
expressive.

## ing Vic

# Emigrés by JEREMY KINGSTON

ak an illusion, break a  
—that would seem the wise  
et we are left to consider  
e end of Slavomir Mrozek's  
play, Mrozek is himself an  
re who left Poland in the  
and settled finally in  
But while the two rooms  
in his play are certainly  
absentees from some un-  
ified Totalitaria, the  
life stresses of that kind of  
lar are not presented by  
with any striking particu-  
What the play soon  
ones is that frankly famil-  
tion of two men languishing  
black wise-man (there a  
ment) alternately killing  
and illustrating their interde-

character, because finally the two men as foreign bodies with-  
more unusual, when exposed as in the country they have come  
a miser. But Norton's troubled to, and then as germs in the  
intellectual is credible enough, apartment house whose bowels  
for him to take in his stride that their inbuilt, overhearing every  
old cliché cry of lost intellect—noise from the other residents.  
There's a book I've got to go to, introduced this  
depressing effect the pair have—An attentive audience warned  
upon one another's relation to the play more than I did,  
ship remains the sort that which reminds me to warn  
dramatists than in the real end of the evening the interior  
world of fevered intellectuals of the Young Vic feels as though  
and swinish cadgers. You could steam a pudding in

can accept the deceptions—and they  
are no worse than the mindless  
racket of a disapprobation—the  
evening has real rewards.  
There is an infinity of shimmy-  
ing from topless ladies wear-  
fingered devices, which would  
be an animated hay-stack, which  
looks like *The Magic Round*  
about's Douglas caught in a spin-  
dley; there are contortionists,  
frenzied trances of bore-  
dom and is theatrical without  
being as wildly improbable as a  
number of the Police-Bergère. A  
sense of warning, though, about  
the drama: there are, indeed,  
and, and numerous. But if you  
highly moral and Senegalese ver-

## Sadler's Wells Theatre

# Dance Senegal by CLEMENT CRISP

It is not easy to convey to  
local performers, says the pro-  
gramme note for the Senegalese  
racket of a disapprobation—the  
evening has real rewards.  
There is an infinity of shimmy-  
ing from topless ladies wear-  
fingered devices, which would  
be an animated hay-stack, which  
looks like *The Magic Round*  
about's Douglas caught in a spin-  
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ing from topless ladies wear-  
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dom and is theatrical without  
being as wildly improbable as a  
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sense of warning, though, about  
the drama: there are, indeed,  
and, and numerous. But if you  
highly moral and Senegalese ver-

sion of *Giselle* in which Albrecht  
goes mad but is finally united  
with Giselle, who has very pro-  
perly opted for a rich parti-  
rather than a simple fisherman.  
In this you can see a young  
woman of the most exquisite and  
grave beauty as the heroine, and  
the stunning appearance of the  
local gods—13-foot high  
feathered apparitions on stilts—  
who are attended by witch-  
doctors marvellously capar-  
soned. This small ballet sug-  
gests just what richness and  
potential for dance drama there  
lies in the folklore of Africa: it  
is interesting even for the  
future.

## NOTICE OF REDEMPTION To the Holders of NEW ZEALAND 9½% Bonds due 1982 (due August 15, 1982)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described  
issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected for redemption  
on August 15, 1976 at 100% of the principal amount thereof through operation of the Sinking Fund,  
\$2,000,000 principal amount of said Bonds bearing the following distinctive numbers:

26	1	2102	4086	8994	10181	12322	16115	18936	21797	24878	28947	30644	32903	34429	36453	38493
27	1	2103	4087	8995	10182	12323	16116	18937	21798	24879	28948	30645	32904	34430	36454	38494
28	1	2104	4088	8996	10183	12324	16117	18938	21799	24880	28949	30646	32905	34431	36455	38495
29	1	2105	4089	8997	10184	12325	16118	18939	21800	24881	28950	30647	32906	34432	36456	38496
30	1	2106	4090	8998	10185	12326	16119	18940	21801	24882	28951	30648	32907	34433	36457	38497
31	1	2107	4091	8999	10186	12327	16120	18941	21802	24883	28952	30649	32908	34434	36458	38498
32	1	2108	4092	9000	10187	12328	16121	18942	21803	24884	28953	30650	32909	34435	36459	38499
33	1	2109	4093	9001	10188	12329	16122	18943	21804	24885	28954	30651	32910	34436	36460	38500
34	1	2110	4094	9002	10189	12330	16123	18944	21805	24886	28955	30652	32911	34437	36461	38501
35	1	2111	4095	9003	10190	12331	16124	18945	21806	24887	28956	30653	32912	34438	36462	38502
36	1	2112	4096	9004	10191	12332	16125	18946	21807	24888	28957	30654	32913	34439	36463	38503
37	1	2113	4097	9005	10192	12333	16126	18947	21808	24889	28958	30655	32914	34440	36464	38504
38	1	2114	4098	9006	10193	12334	16127	18948	21809	24890	28959	30656	32915	34441	36465	38505
39	1	2115	4099	9007	10194	12335	16128	18949	21810	24891	28960	30657	32916	34442	36466	38506
40	1	2116	4100	9008	10195	12336	16129	18950	21811	24892	28961	30658	32917	34443	36467	38507
41	1	2117	4101	9009	10196	12337	16130	18951	21812	24893	28962	30659	32918	34444	36468	38508
42	1	2118	4102	9010	10197	12338	16131	18952	21813	24894	28963	30660	32919	34445	36469	38509
43	1	2119	4103	9011	10198	12339	16132	18953	21814	24895	28964	30661	32920	34446	36470	38510
44	1	2120	4104	9012	10199	12340	16133	18954	21815	24896	28965	30662	32921	34447	36471	38511
45	1	2121	4105	9013	10200	12341	16134	18955	21816	24897	28966	30663	32922	34448	36472	38512
46	1	2122	4106	9014	10201	12342	16135	18956	21817	24898	28967	30664	32923	34449	36473	38513
47	1	2123	4107	9015	10202	12343	16136	18957	21818	24899	28968	30665	32924	34450	36474	38514
48	1	2124	4108	9016	10203	12344	16137	18958	21819	24900	28969	30666	32925	34451	36475	38515
49	1	2125	4109	9017	10204	12345	16138	18959	21820	24901	28970	30667	32926	34452	36476	38516
50	1	2126	4110	9018	10205	12346	16139	18960	21821	24902	28971	30668	32927	34453	36477	38517
51	1	2127	4111	9019	10206	12347	16140	18961	21822	24903	28972	30669	32928	34454	36478	38518
52	1	2128	4112	9020	10207	12348	16141	18962	21823	24904	28973	30670	32929	34455	36479	38519
53	1	2129	4113	9021	10208	12349	16142	18963	21824	24905	28974	30671	32930	34456	36480	38520
54	1	2130	4114	9022	10209	12350	16143	18964	21825	24906	28975	30672	32931	34457	36481	38521
55	1	2131	4115	9023	10210	12351	16144	18965	21826	24907	28976	30673	32932	34458	36482	38522
56	1	2132	4116	9024	10211	12352	16145	18966	21827	24908	28977	30674	32933	34459	36483	38523
57	1	2133	4117	9025	10212	12353	16146	18967	21828	24909	28978	30675	32934	34460	36484	38524
58	1	2134	4118	9026	10213	12354	16147	18968	21829	24910	28979	30676	32935	34461	36485	38525
59	1	2135	4119	9027	10214	12355	16148	18969	21830	24911	28980	30677	32936	34462	36486	38526
60	1	2136	4120	9028	10215	12356	16149	18970	21831	24912	28981	30678	32937	34463	36487	38527
61	1	2137	4121	9029	10216	12357	16150	18971	21832	24913	28982	30679	32938	34464	36488	38528
62	1	2138	4122	9030	10217	12358	16151	18972	21833	24914	28983	30680	32939	34465	36489	38529
63	1	2139	4123	9031	10218	12359	16152	18973	21834	24915	28984	30681	32940	34466	36490	38530
64	1	2140	4124	9032	10219	12360	16153	18974	21835	24916	28985	30682	32941	34467	36491	38531
65	1	2141	4125	9033	10220	12361	16154	18975	21836	24917	28986	30683	32942	34468	36492	38532
66	1	2142	4126	9034	10221	12362	16155	18976	21837	24918	28987	30684	32943	34469	36493	38533
67	1	2143	4127	9035	10222	12363	16156	18977	21838	24919	28988	30685	32944	34470	36494	38534
68	1	2144	4128	9036	10223	12364	16157	18978	21839	24920	28989	30686	32945	34471	36495	38535
69	1	2145	4129	9037	10224	12365	16158	18979	21840	24921	28990	30687	32946	34472	36496	38536
70	1	2146	4130	9038	10225	12366	16159	18980	21841	24922	28991	30688	32947	34473	36497	38537
71	1	2147	4131	9039	10226	12367	16160	18981	21842	24923	28992	30689	32948	34474	36498	38538
72	1	2148	4132	9040	10227	12368	16161	18982	21843	24924	28993	30690	32949	34475	36499	38539
73	1	2149	4133	9041	10228	12369	16162	18983	21844	24925	28994	30691	32950	34476	36500	38540
74	1	2150	4134	9042	10229	12370	16163	18984	21845	24926	28995	30692	32951	34477	36501	38541
75	1	2151	4135	9043	10230	12371	16164	18985	21846	24927	28996	30693	32952	34478	36502	38542
76	1	2152	4136	9044	10231	12372	16165	18986	21847	24928	28997	30694	32953	34479	36503	38543
77	1	2153	4137	9045	10232	12373	16166	18987	21848	24929	28998	30695	32954	34480	36504	38544
78	1	2154	4138	9046	10233	12374	16167	18988	21849	24930	28999	30696	32955	34481	36505	38545
79	1	2155	4139	9047	10234	12375	16168	18989	21850	24931	29000	30697	32956	34482	36506	38546
80	1	2156	4140	9048	10235	12376	16169	18990	21851	24932	29001	30698	32957	34483	36507	38547
81	1	2157	4141	9049	10236	12377	16170	18991	21852	24933	29002	30699	32958	34484	36508	38548
82	1	2158	4142	9050	10237	12378	16171	18992	21853	24934	29003	30700	32959	34485	36509	38549
83	1	2159	4143	9051	10238	12379	16172	18993	21854	24935	29004	30701	32960	34486	36510	38550
84	1	2160	4144	9052	10239	12380	16173	18994	21855	24936	29005	30702	32961	34487	36511	38551
85	1	2161	4145	9053	10240	12381	16174	18995	21856	24937	29006	30703	32962	34488	36512	38552
86	1	2162	4146	9054	10241	12382	16175	18996	21857	24938	29007	30704	32963	34489	36513	38553
87	1	2163	4147	9055	10242	12383	16176	18997	21858	24939	29008	30705	32964	34490	36514	38554
88	1	2164	4148	9056	10243	12384	16177	18998	21859	24940	29009	30706	32965	34491	36515	38555
89	1	2165	4149	9057	10244	12385	16178	18999	21860	24941	29010	30707	32966	34492	36516	38556
90	1	2166	4150	9058	10245	12386	16179	19000	21861	24942	29011	30708	32967	34493	36517	38557
91	1	2167	4151	9059	10246	12387	16180	19001	21862	24943	29012	30709	32968	34494	36518	38558
92	1	2168	4152	9060	10247	12388	16181	19002	21863	24944	29013	30710	32969	34495	36519	38559
93	1	2169	4153	9061	10248	12389	16182	19003	21864	24945	29014	30711	32970	34496	36520	38560
94	1	2170	4154	9062	10249	12390	16183	19004	21865	24946	29015	30712	32971	34497	36521	38561
95	1	2171	4155	9063	10250	12391	16184	19005	21866	24947	29016	30713	32972	34498	36522	38562
96	1	2172	4156	9064	10251	12392	16185	19006	21867	24948	29017	30714	32973	34499	36523	38563
97	1	2173	4157	9065	10252	12393	16186	19007	21868	24949	29018	30715	32974	34500	36524	38564
98	1	2174	4158	9066	10253	12394	16187	19008	21869	24950	29019	30716	32975	34501	36525	38565
99	1	2175	4159	9067	10254	12395	16188	19009	21870	24951	29020	30717	32976	34502	36526	38566
100	1	2176	4160	9068	10255	12396	16189	19010	21871	24952	29021	30718	32977	34503	36527	38567
101	1	2177	4161	9069	10256	12397	16190	19011</								



## WORLD TRADE NEWS

## Hong Kong contracts shock Japan

BY CHARLES SMITH

TOKYO, July 6

JAPAN'S electrical engineering and technology. On financing government early in 1974 to carry out the entire mass transit scheme within a ceiling price of \$1.5 billion, but was later obliged to withdraw. Talks on compensation between Mitsubishi and the Hong Kong government revealed a wide gap and ended without a satisfactory settlement.

The Japanese made a comeback in 1975 when some of the construction companies which had belonged to the original Mitsubishi Corporation tendered successfully for parts of the civil engineering work. The civil engineering work constitutes 80 per cent of the total value of the mass transit scheme with only the remaining 20 per cent accounted for by this week's contracts. Japan, however, would have stood to gain some ¥120bn. (\$210m.) worth of business if it had been successful.

A marginal factor in the Hong Kong decision not to give any of the engineering contracts to Japan may have been the fact that the Japanese bids were denominated in yen—a currency which could well appreciate in value during the 12 years (from 1980 to 1992) during which loans for the project will be paid off. Mr. Thompson said to-day, however, that this was not the main consideration so far as the Mass Transit Corporation was concerned. The Japanese offer, he said, was a "very good one," but others were felt to be better.

The Hong Kong projects have been given a high priority by the Japanese because they expect it to be the first of a series of mass transit schemes to be undertaken in various Asian cities. Singapore and Manila are both planning similar projects and a subway scheme is under consideration for Caracas. Another point that obviously unsettles the Japanese is that the outcome of the Hong Kong bidding seems to be part of a run of failures experienced by Japan in international bidding since early this year. Other contracts which the Japanese tried hard for but did not get included a \$450m. Polish fertilizer complex and a Brazilian hydroelectric project (worth an estimated \$1bn.).

## Kraftwerk Union signs DM7bn. Iran nuclear power deal

BY GUY HAWTHORN

KRAFTWERK UNION, West will be provided by a German leading power station led by the Essen-based constructor, has signed its controversial agreement with Iran to build the country's first two nuclear power stations. While no official figure has been announced, the deal is thought to be worth between DM7bn. and DM8bn. (\$1.5bn. and \$1.7bn.).

The turn-key contract for two 1,200 Megawatt power stations is due to be completed between 1980 and 1981. Under the deal, it is understood that Kraftwerk Union (KWU) will also provide a 10-year supply of nuclear fuel that could be worth a further DM30m. (\$60m.).

KWU, which declines to discuss the value of the deal, is the first western concern to conclude such a contract with the Iranian Atomic Energy Organisation. The nuclear fuel, which Iranians plan to install some 23,000 Megawatts of nuclear generating capacity by 1994 in order to replace oil with nuclear power as the prime source of domestic energy.

The pressure to power plants will be constructed near the port of Bushire and included supply of the fuel for the in the contract is the construction of a "small city" to house cycle technology and provide for the 3,500 workers involved in the project. This negotiations.

## Boeing beats Airbus to Singapore order

BY MICHAEL DONNE

THE BATTLE between Boeing for British Caledonia of the U.S. and Airbus Industrie of France for the important Singapore Airlines order for 108 medium-haul regional airliners has ended with Boeing beating Airbus to the prize. Singapore Airlines has ordered two Boeing 727-300 aircraft, worth \$44m., with an option on an additional six aircraft.

The new jets, for delivery in the last three months of 1977, will be used on SIA's services to Jakarta, Bangkok, Hong Kong, Taipei, Seoul, Manila, Colombo and Madras.

For the last three years, SIA has been studying new aircraft for its regional services and the Boeing 727 or the European A-300 Airbus.

SIA chose the Boeing 727 mainly because its capacity of 140 seats is more appropriate to the airline's route pattern than the 202-seat Airbus. The airline is also currently using a fleet of Boeing 747 Jumbo jets on its long-haul routes. Existing Boeing 707 and 737 aircraft on regional routes eventually will be converted to freight use or sold.

At Air Afrique, the international airline consortium of West Africa, has ordered a third DC-10 tri-jet from McDonnell Douglas of the U.S. for delivery in the spring of 1978. Other recent DC-10 orders include two from the under-secretary of Finance, Mr. J. Kaul.

## ABU DHABI TO INDIA

AN agreement has been signed between the Abu Dhabi Arab Economic Development Authority and the Indian Government for the construction of a 108-seat Boeing 727-300 aircraft for use on the Abu Dhabi to India route. The aircraft will be used to transport pilgrims to the Hajj in India for a loan of \$9 million. The agreement was signed by the deputy chairman of the Abu Dhabi Authority, Sheikh Surour bin Mohamed, and the Indian Minister of Transport, Mr. J. Kaul.

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The right to convert the Debentures into shares of common stock of Deere & Company expires on March 15, 1977. Upon conversion, Debentureholders will receive Deere & Company common stock at a rate of 26.49 shares for each \$1,000 Debenture converted. The market price for 26.49 shares on July 1, 1976 was \$1,841.05 based upon the closing price as reported on the composite list of the New York Stock Exchange on that date.

The current quarterly dividend of 50 cents a share would total \$13.245 on 26.49 shares; the quarterly accrued interest on a \$1,000 Debenture is \$12.50; interest is paid semi-annually each June 15 and December 15.

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This notice is a reminder only and is not a recommendation to convert the Debentures or to take any other action concerning them. Conversion of the Debentures, and all other rights of Debentureholders are subject to the terms of the indenture dated June 15, 1966 with The Chase Manhattan Bank (National Association), Trustee.

## Freight rates hit by Ro-Ro growth

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE introduction this year of many new roll-on roll-off shipping services from Europe to the Middle East has caused a sharp fall in freight rates, according to the chairman of a leading Swedish shipping company.

Mr. Andrew Olszowski, chairman of Tor Line, told a London conference yesterday that there was already "over-tonnage" by roll-on-roll-off operators running services to the Middle East, particularly to Saudi Arabia. The effect had been to cut basic freight rates by about 30 per cent over the last three months.

As Mr. Olszowski pointed out in the conference, Ro-Ro '76, the new services, have been seen as a way of beating port congestion in the Middle East. But the arrival of one or two new operators a month on the scene has had a depressive effect on rates which is starting to worry established operators who have recently seen values fall from \$2,250 for a standard-sized container to \$2,250.

Mr. Olszowski questioned whether the "newcomers" had really done their homework: in particular he wondered whether they were able to provide the organisation necessary to ensure the transportation of cargoes from the quayside. Roll-on-

## Leather makers criticise exhibition

By James Buxton

A SPECIAL London exhibition which aims to help developing countries market their products in Britain has run into criticism from a group representing British leather manufacturers, which claims that its interests are being threatened.

The exhibition, Expo-Impe, to be staged at St. Katherine's Dock, London, in October, has attracted 28 exhibiting countries from the developing world. Its aim is to help the countries and markets for goods other than their traditional export commodities, and at the same time acquire expertise in marketing and presentation of goods.

More than three-quarters of the cost of the exhibition, estimated at about £150,000, is coming from an EEC Commission grant. The Ministry of Overseas Development is also contributing and the exhibition is being organised by the Import Opportunities Office for Developing Countries, which is based at the London Chamber of Commerce.

The purpose of the exhibition and the accompanying seminars is to encourage the sale of leather goods, horticultural products, handicrafts, furniture, etc. The cost of transporting exhibits to London and accommodation for two representatives from each country will be paid for.

At a Press conference yesterday Mr. J. H. Keene, of the British Leather Goods Manufacturers Association, claimed that exhibition would help foreign leather exporters, already enjoying cheap raw materials, to obtain a deeper penetration of the British market than they already had. More effort was going into encouraging imports into Britain than exports, he said.

But the organisers of the exhibition stressed that the British leather makers had a market in other developed countries which the developing world was not aiming at. It was also stressed that the exhibition was in the context of the industrialised countries' foreign aid effort.

Fourteen members of the ACP (African, Caribbean and Pacific) group of countries, including Jamaica and Nigeria, are coming to the exhibition, while in the non-ACP countries the exhibitors range from India, Costa Rica. It was stressed that overall Britain had a very favourable trade balance with the exhibiting countries in both groups.

## Pakistan import free list enlarged

By Iqbal Mirza

KARACHI, July 6

THE Pakistan Federal government has announced the import policy for 1976-77 with the free list increased from 389 to 467 items. The policy which not only maintains but further accelerates the liberal pattern of imports introduced in 1972 makes ample provision for imports of tractors, fertilizers and pesticides to boost agricultural production. Import additions made in the free list will make easier the import of machinery, capital goods and essential raw materials. Certain essential consumer goods of which there is acute shortage and which are being smuggled into the country have been placed on free list for the convenience of consumers and to mitigate the evils of smuggling. These are sanitary ware and enamelled bath tubs, electric bulbs and tubes, earthen china or porcelain table ware, aluminium and enamelled iron wash basins and sinks, nickel cadmium cells, dry battery cells, air-conditioners of all sizes, refrigerators and deep freezers of all sizes, razor sets and blades and tape recorders and cassette players.

THE FINANCIAL TIMES, published daily except on public holidays. U.S. subscriptions: \$107.50 per annum. Single copies 5p. (including postage). Second class postage paid at New York, N.Y.

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## AMERICAN NEWS

### Jamaican security forces free detainees

By Canute James

KINGSTON, July 6  
Jamaican security forces have released several persons who were detained under emergency powers. But there are now 51 persons being interrogated by the army headquarters in Kingston.  
During the first 15 days of the emergency, the number of detainees at one stage reached over 100. The security forces have released several hundred other persons for questioning in connection with offences ranging from possession of drugs to possession of firearms.  
The Security Ministry has not disclosed the names of the detainees released. It has said that the release of detainees is one of its objectives - a reduction of the crime rate.  
The Prime Minister, Mr. Michael Manley, told a Press conference that several terrorists, five in one part of Kingston, were arrested by security forces. Following last week's revelations by the Prime Minister that the Government was a plot to overthrow the Government and that two members of the Opposition Jamaica Labour Party were involved, the JLP has stopped using it of using the emergency to silence the position.  
However, the JLP is taking action and writs of habeas corpus have been filed. The Supreme Court has ordered 15 party members who have been detained.  
Security forces are reported to have recovered several types of firearms - mostly home-made - which make up a large part of the 8,000 illegally held weapons thought to be in the island. Explosives - including Molotov cocktails - have also been found. Security forces in different parts of the island.  
In the Kingston urban area, there has been a marked change in mood over the past two weeks. A falling crime rate and indications that security forces have had a degree of success with their continuing recovery of firearms and explosives has restored the calm in the area.

White House prepares a Royal show  
WASHINGTON, July 6  
Vice President Johnson, Alice Roosevelt Longworth and several celebrities from Hollywood and the sports world have been invited to attend the White House dinner in honour of Queen Elizabeth and Prince Philip tomorrow night, it was announced today.  
Sheila Rabb Weidenfeld, the first lady's Press Secretary, said that the guests on the guest list are Alistair Cooke, actresses Julie Harris and Helen Hayes, and Merle Oberon, actor Gary ant, conductor, Eugene mandy, Olympic skating star rothy Hamill, baseball player, the Mays, New York designer, and Telly Savalas.  
Two members of the Ford family, 23-year-old Jack and son, who is 19 years old today, will attend the dinner.  
The white dinner will be held in the East Room.  
The Royal couple and the Ford family will sit at a head table. There will be 24 round tables, and a "rock up" will follow dinner performance in the East Room.

### Volkswagen 'to be asked to cut U.S. car prices'

BY STEWART EPPING

NEW YORK, July 6

VOLKSWAGEN of America is one of four or five car importers expected later this week to receive letters from the U.S. Treasury asking them to adjust their prices following the Department's anti-dumping investigation.  
A Treasury official confirmed that letters are being prepared but they have not yet been sent out. He could not comment on the contents of the letters.  
In May the Treasury shelved its formal investigation of alleged dumping of foreign cars on the U.S. market, but made it clear that it intended to ask a number of companies to adjust their prices and eliminate the dumping margin. In essence, dumping involves selling goods in an export market at a lower price than in the domestic market where they are produced.  
The U.S. Treasury's decision to discontinue its formal investigation of foreign car imports was prompted by fears that if it pursued it would seriously damage the business of a number of companies. Since the inquiry had apparently found evidence of significant dumping

margin, the decision to discontinue was recognized as being prompted by special factors outside the normal procedures of anti-dumping inquiries.  
It is understood that the companies receiving the letters from the Treasury will be asked either to raise their U.S. prices or reduce their domestic prices to eliminate the dumping margin. Provided they agree, the case against them will be dropped, although their prices will be monitored for two years.  
Volkswagen could be particularly hard hit by further price increases, since the company claims already to be running at price resistance on its U.S. Rabbit model (the car known as the Golf in Europe).  
Already this year the company's sales in the U.S. are about 43 per cent down, reflecting in part its prices which are higher than for several comparable subcompact cars, but also the U.S. consumers' trend towards buying larger cars again.  
In a good month, Volkswagen claims to be selling about 10,000

Rabbits and up to 2,000 Beetles, compared with sales of up to 20,000 Beetles at their peak a few years ago.  
Since introducing its 1976 model Rabbit the company has not increased its price. It has, however, announced a decision to make a major investment in U.S. motor capacity to allow it to produce up to 200,000 Rabbits a year, which will protect the company from exchange rate movements and, it is hoped, make its products more competitive in cost.  
The names of the other companies who will be receiving the letters from the Treasury have not been released.  
Reuter adds: Volkswagen of America said its parent company has delayed involving an agreement to set up its first U.S. assembly plant in New Stanton, Pennsylvania, because one detail of the long-term financing required is unresolved. No details of the unresolved financial matter were disclosed, but Volkswagen said the signing delay is expected to last a few weeks.

### Venezuela, Uruguay sever links

BY OUR OWN CORRESPONDENT

BUENOS AIRES, July 6

TO-DAY only hours after Uruguay declared that two diplomats in the Venezuelan embassy in Montevideo were non grates, Venezuela broke diplomatic relations with Uruguay.  
In announcing the break, the Venezuelan Government based its decision on "incidents which took place in the Venezuelan Embassy on June 28 which were a violation of... the norms of the right of asylum." This is a reference to the abduction of a woman from the embassy by three men who according to Venezuelan Ambassador Julio Ramos, were "plain-clothes policemen." The Venezuelans maintained also that the men used violence against two

embassy functionaries in kidnapping the woman, who - although she has not been identified officially - is understood to be Maria Quinteros, a 31-year-old schoolteacher.  
Late last week the dispute was taken over by the countries' Presidents. Venezuela's Carlos Andres Perez and Uruguay's Alberto Demichelli. President Perez demanded that the woman be returned to the Venezuelan Embassy in Montevideo, whilst the woman had just gone for asylum when she was abducted, and that the Uruguayan Government make the proper excuses. Otherwise, he said, Venezuela would break relations.  
President Demichelli maintained his government's initial

contention, which was that no members of Uruguay's combined forces - the services and the police - were involved in the kidnapping and that a thorough investigation had been ordered.  
Then the entire diplomat corps in Montevideo issued a statement expressing their "profound preoccupation" for the security of the embassies in the Uruguayan capital. And on Saturday the corps met in the Papal nunciature in Montevideo and resolved to advise Uruguayan Foreign Minister Juan Carlos Blanco that they "deplored" the kidnapping of the woman.

### Canada, EEC sign economic agreement

By Our Foreign Staff

CANADA and the EEC yesterday signed an agreement creating a contractual link between them which Ottawa has long wanted. In order to create a counterweight to Canada's heavy economic dependence upon the U.S.  
The most important part of the agreement provides for the setting up of a joint co-operation committee to meet at least once a year and to review possibilities of economic and commercial cooperation. That includes possibilities such as the exchange of information about environmental matters and the identification of opportunities for the industries of Canada and Europe to cooperate.  
The agreement explicitly envisages the possibility of joint ventures being undertaken in third countries. It also pledges the parties to look for openings for "increased and mutually beneficial investments." Behind the word "beneficial" there is hidden the Canadian policy, supported by legislation, to prevent direct foreign investment which is not deemed to be of benefit to Canada.  
It is legislation which has upset industry in more than one Common Market country, though it is fair to add that its main purpose has been to prevent a further increase of U.S. control which already extends to something like two-thirds of Canadian manufacturing industry.  
The U.S. plays an equally dominant role in Canadian foreign trade, despite efforts, not so far crowned with great success, to increase the market for Canadian manufactures in Europe. Last year the nine EEC countries bought Canadian exports worth \$4,130m, equivalent to almost 13 per cent of total Canadian exports. That compares with 65.2 per cent, sold to the U.S.

### Pentagon plans new defence contracts policy

BY OUR OWN CORRESPONDENT

WASHINGTON, July 6

THE PENTAGON is putting the finishing touches to a new system designed to reward defence contractors who invest in new plant and equipment and to bring more order into the \$17bn, annual defence contracting industry.

on which they base their contract prices.  
The current formula allows a rate of return for contractors which averages out at around 9.8 per cent, with the costs accounting for as much as 65 per cent of the basis for calculating profit. The proposed formula would balance the factor involved more equitably and would possibly mean as much as 2 per cent increase in profits for shipbuilders and other contractors who have to invest heavily in new plant.

The new scheme, which might avoid the current dispute between the Navy and major shipbuilders, is expected to be ready by October and it involves the rewriting of the formula currently used by the Defence Department to determine the relationship between profit, the contractors' investments and the risks entailed. The present formula is heavily linked to costs and means that a contractor can under certain circumstances increase his profits by raising his costs.

Apart from putting more stress on investment, the new contracting formula may also be designed to reward contractors who go all out for overseas military sales or those who chalk up significant increases in productivity. But all this and such difficult matters as how best to work the cost of capital into contracts have still to be finalised and they will no doubt be carefully scrutinised by Congress which fears that they might lead to an increase in the price of weapons systems.

Under the new scheme, contractors would also be allowed to include in their costs the attributable cost of land, buildings and machinery which they use specifically for defence work. At present they are not allowed to include the cost of capital for these purposes in the costs

### Rubber strike talks recessed

Negotiations on a basic economic package between the Firestone Tire and Rubber Company and the United Rubber Workers have been recessed, Firestone said in Akron, Ohio, yesterday, Reuter reports.  
It said that despite the efforts of Labour Secretary William Umay and Federal Mediation director James Secare, both sides were unable to reach a settlement.  
The strike by the rubber workers against the big four tyre makers - Firestone Tire, Goodrich, Goodyear and Uniroyal - is over two months old.

**Pipeline flaws**  
Presidential spokesman Ron Nessen has said that an audit performed for the Interior Department by Arthur Andersen and Co. indicates that "there could be" more welding flaws in the Alaskan pipeline than found in an earlier study by the consortium building the pipeline. AP-DJ reports from Washington. Mr. Nessen said that the President has asked Interior Secretary Klappe and Transportation Secretary Coleman to brief him on the situation and has directed that a fact-finding team go to Alaska early next week.

### Alberta Eastern Gas

Alberta Eastern Gas has said that it has signed a letter of intent with Oriole Oil and Gas, a privately-owned company based in Calgary, under which Alberta Eastern will acquire all of the outstanding shares of Oriole subject to normal closing conditions. AP-DJ reports from Calgary. Mr. Frank Vetsch, president of Alberta Eastern, declined comment on the terms of the agreement. He said that Oriole has three outstanding shares.

### Steel output up

Canada's steel output for week ending July 3 was 284,867 tons, up 2.4 per cent from the preceding week. Statistics Canada said. The comparable total in the year-ago week was 248,498 tons. AP-DJ reports from Ottawa

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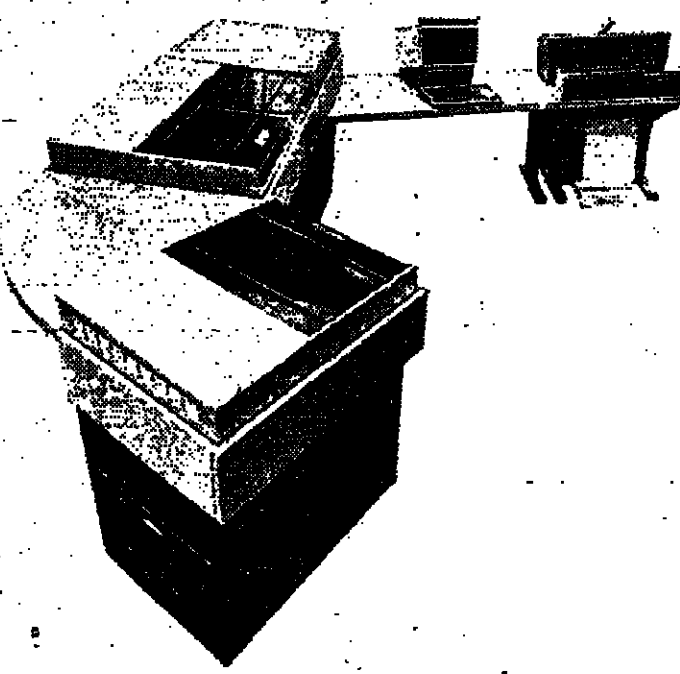
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## HOME NEWS

### Midlands confidence continues to grow

**Midlands Correspondent**

SES IN U.K. steel prices have run the steep devaluation sterling and forced some companies to increase prices, while others re-examine their pricing policy in the light of the pound's fluctuating value. There has been a sharp fall in steel prices since the end of last month, but the Midlands steel industry is still running at capacity, but is continuing to grow. Results from the latest survey by the West Midlands regional group of chambers of commerce confirm that movement is being sustained though one in three is still operating at unprofitable rates.

On the other hand, one in five is planning to increase output in plant and very few have reductions downwards. Movement, too, is improving as a Manpower report shows that prospects in the Midlands are better than elsewhere in the region. 9 per cent of employers expect to hold on to their staff and only 16 per cent of the previous year are contemplating reductions. More employers in the Midlands are reporting that they will be increasing output.

### Felixstowe docks case may be delayed

**BRITISH Transport Docks** yesterday failed to win a three-day postponement of the High Court action making the Board drop out of the Bill to nationalise the docks. The hearing will begin on the planned said Lord Chief Justice.

Felixstowe Dock and Co., now owned by an American firm, made a successful counter-bid after the shareholders in the company had agreed to a sale to the Dock Board, but the take-over deal is now void.

### Interim

also seeking an injunction to stop the Board from continuing the Bill, now Lords Committee stage.

hearing before Lord Chief Justice is expected to take five days.

ing for a postponement hearing until tomorrow, in Lightman, counsel for the Board, said that it was unlikely that the High Court should take place at the time as the Lords proceed- ing were expected to end.

ames Comyn, for the port, opposed any postponement. The Board is asking for a short adjournment for the Lords' consideration.

## Rockwell makes £5m. assault on Eaton axles

**ROCKWELL INTERNATIONAL** Corp. of America is going to challenge the supremacy of Eaton Corp. in the two-speed truck rear axle market with a £5m. programme based on its U.K. factories.

Rockwell has made the U.K. factories the headquarters of its European automotive operations.

U.S.-made Rockwell two-speed axles have suffered a price and weight disadvantage compared with the Eaton products. But a new design, claimed to be technically superior in important respects, will be launched towards the end of the year on a world-wide basis from the U.K.

Rockwell intends to provide a highly competitive alternative to the Eaton two-speed axle to truck makers like General Motors (Bedford), Ford, British Leyland and their European counterparts, concentrating on the medium truck range.

### Widely used

This range of 5-16 tonnes is the most widely used in industrial countries and generally spearheads exports to developing countries forming the nucleus of their own truck industries.

A two-speed axle allied to a five-speed gear box provides great flexibility over a wide variety of territories.

Rockwell's decision to make the U.K. its base for a world-wide assault on this growing sector of the truck market is in part a recognition of develop-

ments in the three to four years since it took over John Thompson's operations at Bilston (Staffs.) and British Leyland's Maudslay axle plant at Alcester (Warks.).

A £2m. investment has just been completed at Bilston. This primarily makes pressing and axle housings, chassis frames and other fabrications, including all Rolls-Royce chassis and a considerable slice of those for Volvo, Ford and British Leyland.

### Increased

Axle housing production is being increased 50 per cent. Another £2m. is being spent at Alcester on the development of complete drive axle assemblies and the twin speed axle.

Direct exports from Rockwell Maudslay, now about 5 per cent of production, are planned to rise to 50 per cent before 1980.

Mr. Hugh Bone, marketing director of Rockwell International, said last night: "Helped by the floating pound, we have found we can supply axles competitively with our U.S. company and have taken worthwhile contracts in Mexico, Australia and South Africa, previously supplied from Rockwell's U.S. factories."

The developments are expected to provide extra jobs at Bilston, where the labour force is 1,200, and at Alcester which has 800 employees.

The Rockwell parent has committed a further £1m. to develop facilities at the two plants in the next year.

## ICI, Rhone-Poulenc plan joint company

**ICI AND Rhone-Poulenc**, the French chemicals group, are to form a joint company to manufacture and market their existing range of rubber chemicals and to invest in new products.

The venture, in which each parent will hold a 50 per cent stake, follows the completion of studies already known to have been in progress.

Subject to receiving the appropriate Government consents, the Boards of both companies intend to proceed with the necessary steps to set up the new separate venture, including discussions with the EEC Commission, over the next few months.

The new company would provide a strong base from which to invest in new plants and to

compete in international markets on a world scale in the longer term, ICI said.

A separate and independent company for rubber chemicals would respond better to market demands than the two businesses existing separately.

The new company would be responsible for its own marketing and selling, taking over the existing rubber chemical production assets of Rhone-Poulenc and ICI.

Its research programme would be geared to the future needs of the rubber industry and it was planned to introduce a number of new products.

The name of the company and a date for starting operations would be announced as soon as possible.

## VAT 'endangers jobs in small businesses'

**THOUSANDS OF jobs** could be at stake in Britain's small businesses unless the Government raises the minimum level of turnover at which VAT is incurred, an MP said yesterday.

Mr. Leon Brittan (C. Cleve-land and Wiltshire) has written to Mr. Robert Sheldon, Financial Secretary to the Treasury, urging him to raise the figure above the present £5,000.

Mr. Brittan quoted the case of a snack bar owner who had complained that because of inflation, with no increase in sales, his turnover was approaching £5,000.

"His dilemma is—should he stay open as long as he can and incur VAT, or reduce the hours of opening to avoid paying VAT and thus put his assistant's job at risk," Mr. Brittan said.

"This case vividly illustrates the fact that by making life more difficult for small businesses, thousands of jobs are at stake."

"The Government sometimes seems to forget that small businesses are important employers and provide many jobs which would not otherwise exist."

## Incentives for quieter airlines considered

By Michael Donne, Aerospace Correspondent

**THE POSSIBILITY** of providing some kind of financial encouragement to airlines to use quieter aircraft, especially at night, is being examined by the Department of Trade.

Mr. Stanley Clinton Davis, Parliamentary Under Secretary for Aviation, said yesterday that his Department was also discussing with the airlines various ways in which noise levels at airports could be reduced, such as by the early retirement of the older and noisier jets.

He told a luncheon meeting of the Airline Pilots' Association that the number of infringements of the noise rules at Heathrow had risen over the past year.

"We hope to have the completed study shortly, and then we can set about applying remedial measures."

He was optimistic about the long-term trend in reducing aircraft noise, as a result of the progressive introduction of quieter, subsonic jets. Already, the number of aircraft using the airport represented 12 per cent of the total, and this would increase steadily.

### Rewards

"However, we cannot afford to ignore the older and noisier aircraft, and we are discussing with airlines ways in which the improvement in the noise environment might be accelerated, for example, through early retirement."

The Minister did not give further details of the financial incentive scheme, but it is believed that it could take several forms, such as the provision of grants to enable airlines to fit "hush kits," direct cash rewards to those airlines at the top of the "minimum noise" league-table, or the imposition of harsher penalties on airlines who break the rules.

Mr. Clinton Davis, in wide-ranging survey of U.K. civil aviation problems, stressed the need for a complete review of the Anglo-U.S. bilateral air services agreement (the so-called "Bermuda Agreement").

## Takeda Chemical Industries, Ltd.



Mr. Shinbei Konishi, President, Takeda Chemical Industries, Ltd.



武田薬品工業株式会社

Report by Mr. Shinbei Konishi, President, for the financial year ended 31st March, 1976

The Japanese economy continued to suffer from severe business conditions during this period due to the low level of consumer spending, a decrease in private capital investment and increased unemployment, despite a series of financial and monetary measures taken by the government to counter the recession.

The Company faced a continuously difficult situation in its various business activities due to the decrease in demand, keener price competition and the cost increases resulting from plants operating at below capacity. Nevertheless, by the strenuous efforts of each division, total sales for this period amounted to ¥273.9 billion, an increase of ¥9.9 billion over the previous year. Net earnings were ¥7.3 billion, a decrease of about ¥1.6 billion compared to ¥8.9 billion in the previous year, which excludes a reversal of research and development and other reserves.

In the pharmaceuticals division, sales of proprietary drugs levelled off due to the decrease in consumer spending. However, among the pharmaceutical products for the medical profession, antibiotic preparations and anti-inflammatory enzyme preparations enjoyed increased demand, but the increment was very modest due to weak market conditions and the decrease in exports.

In the food division, the sales of various soft drinks saw fairly smooth growth in spite of the severe competition. Sales of seasonings and food additives also increased.

The market for industrial chemicals did not recover as expected but the demand for polyurethane resin and

other synthetic resins gradually recovered and the overall sales of our industrial chemicals division increased by about 16%.

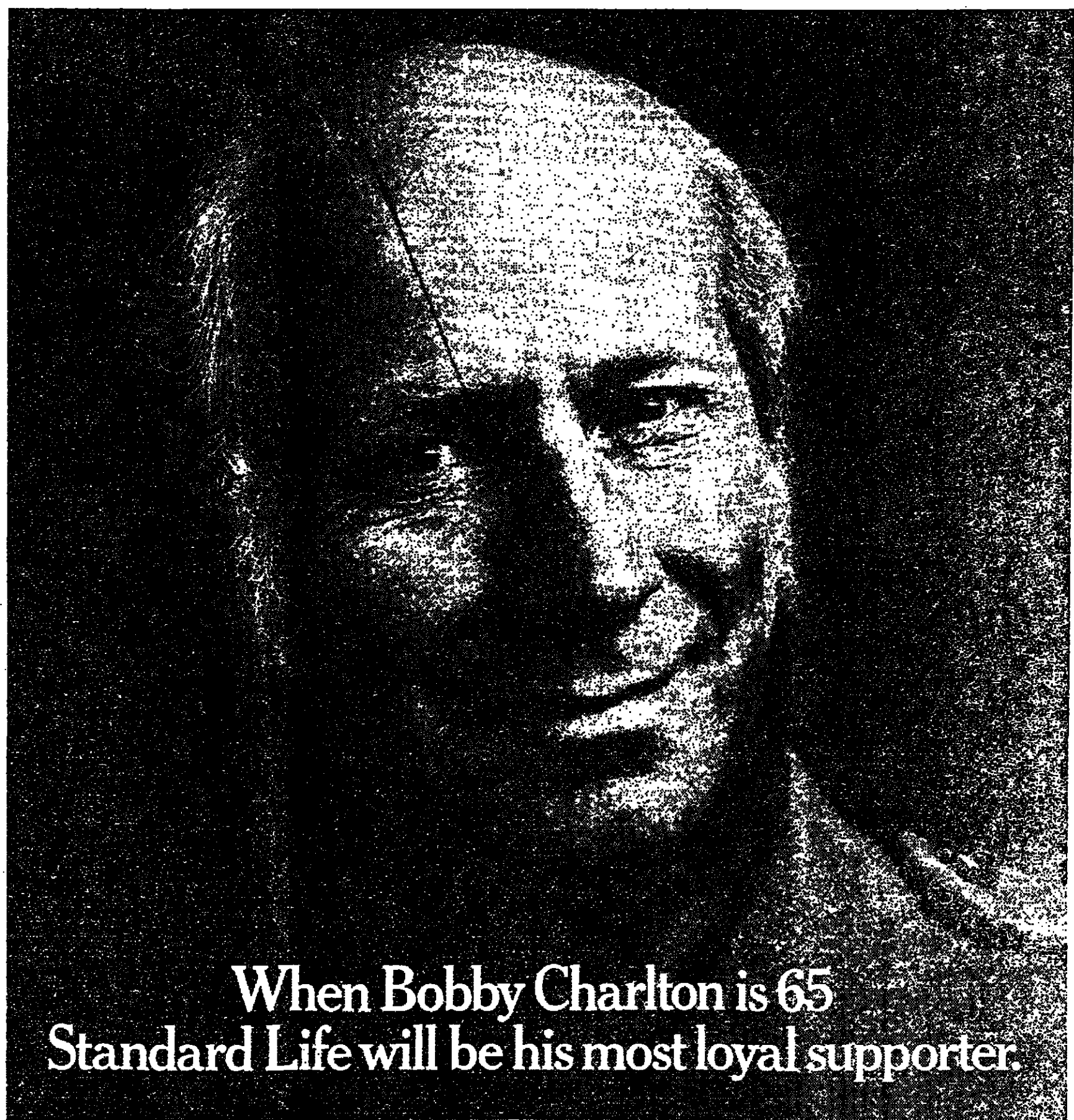
Sales of the agricultural chemicals division decreased due to destocking. The animal health product division enjoyed satisfactory sales supported by the gradual recovery of demand for veterinary drugs by cattle farmers.

Our exports declined substantially due to the world-wide recession and the resulting decrease in demand, although it recovered considerably in the latter part of the period. Our overseas subsidiaries continued to operate satisfactorily.

The Company exerted an effort to contain its investment in plant and no large investments were made during the period. The construction of plant for fermentation research and for production of synthetic penicillin and the Fukuoka Distribution Center proceeded smoothly.

The above report covers an outline of our business activities during the period. The general business environment is expected to remain severe and the Company may face many more difficulties. We are determined to make further efforts to improve all phases of our operations and to reinforce the foundations of the Company to meet the expected trend towards a low growth rate in the future.

We hope that you will continue to extend to us your generous support and cooperation.



When Bobby Charlton is 65  
Standard Life will be his most loyal supporter.

Bobby Charlton has no intention of retiring when he's 65, but he'll be able to if ever he changes his mind. Because he's one of the 700,000 people insured with Standard Life, and has been for 8 years. Provision for his future and his family's future are in the care of this famous Scottish company which has specialised purely in life assurance and pensions for 150 years. So why don't you get on the winning side at Standard Life? Then we can be your most loyal supporter too.

**Standard Life**

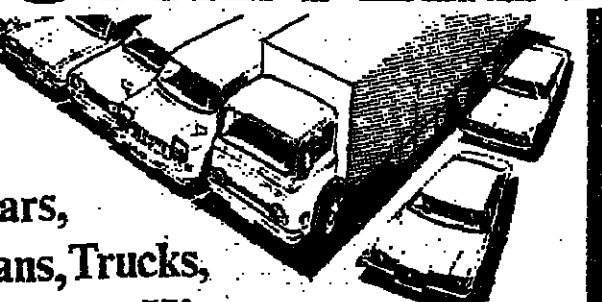
The largest mutual life assurance company in the European Community.

**Lch.**

The quarterly report as of 31st March, 1976 of  
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# MONTEDISON

BALANCE SHEET FOR 1975

During 1975, MONTEDISON S.p.A. and the other principal members of the Group, have been adversely affected by the exceptional conditions which characterised the year. The reduction in overall revenue in combination with the recent rise in costs has involved MONTEDISON in a loss of 72.5 milliard Lire (£ 52.6m.) after depreciation of 161.3 milliard Lire (£ 116.8m.) applying normal allowances. The other major companies of the Group also closed the year with a loss.

The Annual General Meeting held on 22nd April in Milan, approved the accounts and considered the partial covering of the loss using previous profits of 24.1 milliard Lire (£ 17.5m.) and other resources, amounting to 28.8 milliard Lire (£ 20.9m.). The remaining loss equal to 19.7 milliard Lire (£ 14.3m.), was carried forward. The 1975 accounts are the result of several extraordinary and mutually opposing facts.

In the difficult state of affairs during 1975, MONTEDISON achieved a sales revenue of 1,888.8 milliard Lire (£ 1,388.3m.), a reduction of 17.8 per cent compared with 1974. For the Group as a whole, the external sales total equalled 3,535 milliard Lire (£ 2,559.7m.), a drop of 12.2 per cent on 1974. In MONTEDISON S.p.A.'s field of activity the largest reductions of revenue were in basic chemical products and plastics materials. The Associates in the chemical sector operating in Italy, achieved similar unsatisfactory results. The foreign operating chemical companies did better. In particular the US company NOVAMONT, which produces polypropylene, was able to operate in a re-energised market. It achieved more positive results which confirmed its position on the US market. The Company has in progress an important programme of expansion in the setting up of a new polypropylene plant. In the USA, a new company, SWEDCAST, has been set up, 100 per cent controlled by the Group. It manages the acrylic sheet firm which MONTEDISON bought from the American company Swedlow, in order to obtain their advanced technology and research experience, in a sector of considerable interest for the Group's expansion in the technopolymer field. This company closed the year with a profit.

The Dutch company, CNA which operates in the nitrate fertiliser field, and which besides profiting from low cost raw materials, can count on high productivity, has recently been able to augment its sales, despite the international crisis. This firm also closed the year with excellent results.

The Spanish company, PAULAR in which MONTEDISON participates equally with the Spanish group, ENPETROL, after several difficult months saw a slight recovery towards the end of the year, and closed with a small profit.

In the engineering sector, TECNIMONT continued its activities with success. This company is involved in work of considerable importance, executing contracts in Italy and above all abroad.

In the pharmaceutical sector, the introduction of medicinal specialties which were favourably received by the market, contributed to the rise in sales.

The equivalent in sterling has been calculated at the exchange rate from Italian lire valid as at 31 December 1975.

The foreign companies operating in the pharmaceutical sector during 1975, increased their sales and on the whole broke even.

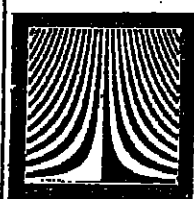
During the year, the re-organisation of these companies was started with a view to better co-ordination of the pharmaceutical sector abroad. Financial control was vested in the Swiss holding company SOPACO. Associates in the fibre and textile product sectors had an extremely difficult year. The progress of MONTEDISON was particularly depressing, the present crisis coinciding with a period of re-structuring. Heavy losses were therefore recorded for 1975. The companies operating abroad in the fibre sector also had a poor year. MONTEDISON FRANCE in particular, closed 1975 with a heavy loss. The retail distribution firms and particularly STANDA, felt the consumer crisis considerably. This made it impossible to cover the large increases in costs brought about by inevitable increases in wage and salary charges. Consequently, STANDA ran into heavy losses amongst the companies of the STANDA Group, FIORUCCI had a profitable year.

The companies operating in the mechanical, electro-mechanical and electronic sectors, achieved higher sales revenue than in 1974, but the year, especially for MAGNINI GALILEO and IME, closed unprofitably.

During 1975, for the medium term development programme, the Group undertook new investments totalling 519 milliard Lire (£ 448.2m.), 90 per cent of which was destined for the chemical, pharmaceutical and fibre sectors. The Group's activity in the Research and Development field produced interesting results in 1975. On the basis of achievements in the catalysts area, an agreement for collaboration on polypropylene was reached with the Japanese company MITSUBI PETROCHEMICAL, with which using also the experience built up by them in this sector, a new process has been derived which has already evoked wide interest among the producers of this polymer. Another agreement reached involves the granting to the Spanish company AIPSA, a licence for the original MONTEDISON process for the purification of pyrite cinders, the development of which will be conducted in collaboration with the companies McKEE and DORR OLIVER.

In his reply to the shareholders attending the Meeting, Sig. Cella, President of the Group, after pointing out that the chemical sector also shows signs of improvement in demand in Italy, stated that the total turnover for the Group in the first three months of the year, are over 1,000 milliard Lire (£ 724.1m.), an increase of 24 per cent on the same period for the preceding years.

This improvement cannot however conceal the worries about several problems such as price control of fertilisers, pharmaceuticals and petrochemical products, labour costs, which are assuming a growing proportion of total costs, the need for re-structuring of the fibre sector, and lastly, the inadequate equity capital situation which MONTEDISON shares with the great majority of the other large companies in Italy.



## Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

### WORD PROCESSING

## Speed and quality cost less

FULL FIELD trials with a twin-position word processing unit use for the machine comes in, since it will allow users to specify a standard answer stored in several European languages. This means that a secretary or a typist who need not know the language in which a letter has to be answered, can type a reply which is adequate to cover the case. In several European countries, where salaries of office staff are very much higher than they are in Britain, this is a facility which will undoubtedly sell many of these machines.

At the same time, the designers have set out to make the unit usable by a reasonably proficient typist who certainly does not have to be a computer operator. The unit is semi-automatic and prompts a user to do the job in the right sequence by query and answer.

This may sound a lengthy procedure, but it is in fact very fast. In an office where 80 per cent of the letters are one-offs and only 20 per cent standard

can do the work of four ordinary typing positions, this must indeed be so. The secret lies in the way in which the design ensures that only completely satisfactory work is printed out. All corrections, deletions, insertions, and justification take place at electronic speeds. Words to be hyphenated in the latter case are automatically presented for a decision on the break.

A four-position array works out at a cost of £5,300 per position or very considerably less than the nearest competition, and the two-position unit which is being got ready for field trials will still beat a standard alone by a handsome margin.

This is one of the reasons why potential major users such as Rolls-Royce and Plessey are very interested—but not the only reason.

The daisy-wheel technology referred to above has attracted a great deal of attention to the company's high-quality engineering. It is a fact that many U.S. users of these complex printing

devices—that is, computers—are not happy at performance. In tests on the full Monotype daisy wheel 400,000 impacts where pitting unit broke up. One of the secrets is the material used, another method of product discrete characters by making a complete of the wheel.

The upshot of all this is that the company is able to offer sets at considerably less than competitors, all (it is thought) are of U.K. This has attracted attention of a major group which could important outlet for Monotype is now in a development path to allow it to harness traditional skills of engineering, and laid out to the problems which others who lack the breadth of experience Monotype Corpora fords, Redhill RH1 5JF 65959.

BCIRA SOLVES YOUR FOUNDRY PROBLEM  
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### TEXTILES

## Move away from the foam back

IN THE couple of decades since it was first introduced to the carpet trade in Britain the tufted system of production has become the major method of making carpet throughout Europe and the machine builders are either American or British. Several possible alternative systems of manufacture have been suggested at various times but the actual growth of production capacities has almost entirely been based on tufting.

A number of developments have followed from this first stage. Originally almost all carpet was made on the ground fabric of hessian, but this has, to a great extent, been replaced either by woven polypropylene tape fabrics or by spun-bonded materials.

To escape the appearance of rubber backing many manufacturers applied a secondary back-

ing of hessian to their products. This gave the products greater stability and more "body". Subsequently there was a major swing towards an in situ foam rubber backing which resulted in the carpet being effectively combined with the carpet.

The other major development in carpets was the production of printed fabrics. These were most frequently made with a low loop pile of nylon and the actual materials, although extremely tough, needed foam to give them sufficient apparent "body" to make a saleable item.

There is a reaction away from these foamed materials and now a new development has been announced by Donaghadee Carpets (Donaghadee, Co. Down, N. Ireland, Tel. 024 782 3333) part of the Carrington Viyella Group. The new backing is called Textback and it is now being patented in various carpet producing countries.

With this latest type of backing it is possible to take the normal low pile weight printed carpet and improve its aesthetic appeal. The first carpet to be made with the new backing was the Pail Mall range and now follow-

ing its general acceptance by the trade, Donaghadee has introduced an up-market version called Crown Royale.

The Textback process involves the use of a specially woven polypropylene tape material which has much of the appearance of a conventionally woven carpet but, between this and the carpet itself is a layer of foam so that, effectively, a sandwich laminate is produced.

In this way the carpet is given much greater substance and better visual appeal. In developing the new backing process, Donaghadee has accepted that many people prefer not to have a foam on the back of the carpet, but by creating this new type of laminate the company has been able to "disguise" the foam content and at the same time offer certain advantages in the carpet which can be laid free or close fitted. It can be laid with or without underlay, as desired, and may even be laid on stairs.

Because the polypropylene backing is smooth, the carpet does not stick to any surface and can be easily adjusted when being laid. Foams offer a very high coefficient of friction.

Lloyd's, Lime Street EC3N 7HA. 01-623 71

### COMPUTING

## Speeding policy

LOYD'S of London formally sign the end of its computing at the end of this week.

At an estimate of 22,000 man-years to carry the result in equipment methods which should for at least the next five years.

It was announced in 1974 that the project will result in a decision DEC 11-70 machine equipment basis. This was installed in Staffordshire and the new Policy Signing Office Lloyd's administrative at Chatham.

The intention is to data entry over up to display units and it is that use of this process faster policy process to brokers.

### METALWORKING

## Stiff knee copy mill

BY REMOVING the cross-slide movement from the knee to the overarm, Induma, of Milan, Italy, has produced a copy milling machine which is claimed to give a rigidity and metal removal rate approaching that of a fixed bed machine at a price comparable with a conventional knee type machine (under £20,000).

Called the FC/8, it has only two movements on the knee—longitudinal and vertical. The table is kept close to the column with a minimum of overhang enabling the machine to take high table loadings—800 kg.

All three axes of movement are hydraulically actuated, powered from a free-standing pack. The machine may be automatically controlled by the feeder of the tracer unit following a template—the feeder can also be used to manually control table movement. Longitudinal travel is 700mm; cross 800mm; and vertical 120mm—a further 300mm vertical movement can be obtained manually.

Driven by a 5hp motor, there are 16 spindle speeds in the range 80 to 2,500 rev/min. The mill has 177mm travel, with either manual or automatic feed.

Available in the U.K. from R.K. International Machine Tools, Phoenix Trading Estate, Phoenix Road, Erith, Kent. (01-824 5411)

### HEATING

## Mini-cooler is ready to market

WITH FINANCIAL support from the National Research Development Corporation (NRDC), a new cooling and heating system is being developed by Constant Air Systems of Harrow. A pilot plant has already been constructed which will enable a comprehensive test programme to be carried out.

This development is an extension to the Casaire high temperature, high velocity (HTHV) system developed by the company in 1972. NRDC support at this stage, will ensure that development time for this next step will be substantially reduced.

The existing HTHV system is based on a direct-fired gas air heater with distribution of the hot air at high velocity through small insulated ducts serving venturi induction diffusers. The air heating plant is designed to operate with outputs ranging from 10m. BTU/hour (75 kW) to 100m. BTU/hour (2,950 kW) with a net thermal efficiency of 100 per cent, and a modulation control of 25:1.

In operation, the venturi diffusers entrain air from the space to be heated, mix it with the hot primary air supply from the gas-fired heater and then direct the warmed air to produce a uniform temperature distribution throughout the working space.

In the new cooling system the temperature of the cold primary air supply may be as low as 40 degrees F (5 degrees C) and this will allow the system, when compared with conventional systems, to operate with lower air flows in smaller vapour sealed ducting—thus reducing insulation costs.

On conventional systems, it is normally necessary to duplicate the ducting so that the air can be circulated back to the central plant. This duplication is not required with the Casaire high velocity, low temperature (HVLT) system, since the venturi diffusers effectively mix the re-circulated air with the cold primary air supply.

Patent protection for the system is being sought in the U.K. and 39 overseas countries and the company is now actively marketing complete cooling or heating and cooling systems, worldwide.

Further data from Casaire at Raeburn House, Northolt Road, Harrow, Middx. HA2 0DY. 01-854 0285.

More details from BIP, PO Box 11, The Bank Road, Oldbury, Warley, West Midlands B69 4NF (021-582 1551) or Rohm and Haas (U.K.), 2 Mason's Avenue, Croydon, CR9 3NB (01-888 8844).

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### PLASTICS

## Nylon can be blow moulded

AN ALL acrylic polymeric additive has been developed by Rohm and Haas in the U.S. It substantially increases the dry (as moulded) impact strength of nylon 6—and when it has been conditioned by absorbing 24 per cent water the impact strength is twice that of polycarbonate.

Although this aspect of the development is important because it enhances the engineering applications of nylon 6, a characteristic of the new material which is likely to have considerable commercial implications is that nylon 6 with the additive (designated KR725) can be blow moulded. This has been almost impossible to carry out with unmodified nylon because, among other problems, the melt viscosity was too low to achieve satisfactory parisons.

British Industrial Plastics (a Turner and Newall company) has the exclusive licence to manufacture the new copolymer in the U.K. To be marketed as Beetle Nylon AC1, its price is about 20 per cent higher than unmodified grades.

BIP says the new material, because of its high impact strength, is directly competitive with polycarbonate and glass reinforced thermoplastics.

It can be injection moulded (where the same strength can be achieved with less material), or profile extruded for items such as gear wheels. Blow moulded, the combined properties of impact strength, chemical resistance and low gas permeability makes the material suitable for petrol tanks, hazardous chemical containers and vandal proof more details from BIP, PO Box 11, The Bank Road, Oldbury, Warley, West Midlands B69 4NF (021-582 1551) or Rohm and Haas (U.K.), 2 Mason's Avenue, Croydon, CR9 3NB (01-888 8844).

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### COMPUTING

## ICL bow scientists

BY TAKING the process the larger 2980 main using items from the 2970 system, ICL has the 2987 which, together with a good deal of new software, is the basis of a new aimed at scientific and other large-scale applications.

Uses will occur in a single massive for example, in orbit simulation in deep linear programming and steel industries industrial forecasting.

But the system expected to find universities and laboratories where many jobs are handled—matrix handling to cut the 30 and 70 in price between £1,750,000 and £2,900,000.

Interest in users of 2,900 machines is the announcement by ICL, new pieces of software, by agreement with the burgh Regional Computer Centre, where they were developed, are the 2980 jobs for Fortran, C and Algol E compiler.

ICL, which expects per cent of 2978 sales universities, with the R to commercial and G to scientific or specialist has to date sold 20 of the 2970 models and eight bigger 2980.

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Last year Norway exported, among other things:  
555,000 tons of aluminium  
262,000 tons of fish  
and 8 camels.

How about that! Camels, from Norway? There are probably a few things you didn't know about the commercial side of the Land of the Midnight Sun. But our International Department knows. It's part of their job to know. So if your customers ask you about the possibilities in Norway — you ask us. And we'll tell you everything worth while, — including camel possibilities.

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# PARLIAMENT



## Lords seek ways to streamline their work

By John Hunt

THE HOUSE OF Lords has agreed to set up a Select Committee to consider ways of streamlining its practices and procedure and to make recommendations for the more effective performance of its functions.

The agreement was reached between the two Front Benches in the Lords yesterday as a further attack on the Upper House was made in the Commons.

Mr. James Callaghan told MPs: "I have never felt that the House of Lords was truly representative of the fine flower of democracy in this country."

The Prime Minister said he would be ready to consider any proposal to abolish the House of Lords but, at the same time, he was not proposing that such an attempt be made.

He recalled that in 1968 he had been badly stung when he attempted such a reform and said that he would be rather more careful before making the attempt again. Given the history of this country he thought there was a place for a second chamber.

The Select Committee on Lords Procedure will run parallel to the one now sitting on the Commons. It is likely to take about 18 months to report and will hold a meeting before the summer recess.

Among the items likely to be considered are the dates when the House sits. At the moment it always rises by the beginning of August, a custom which stems from the time when peers were predominantly agricultural and had to be back on their estates for the harvest.

Some kind of pre-legislation scrutiny will also be discussed. The feeling is that peers should have a chance to give their views about the form a Bill should take before a final version is drawn up for presentation to the House.

The method of procedure on Private Bills will also come up. The committee will not be concerned with overall reform of the Lords. The powers of the Upper House and its relationship with the Commons will not be within its terms of reference.

## Selby coalfield gets go-ahead

By Roy Hodson

THE recently-discovered Selby coalfield in Yorkshire is to become one of the world's biggest coal mines, at a cost of £400m. Mr. Anthony Wedgwood Benn, Energy Secretary, told the Commons yesterday.

Selby, one of the richest coalfields discovered in Britain, may eventually be followed by another new coalfield in Nottinghamshire which the NCB has found.

Government financial approval for Selby means that the National Coal Board can begin to build a modern mine complex with five pairs of shafts.

It is estimated that there are at least 400m. tonnes of recoverable coal, giving the pit a life of some 40 years at an annual production of 10m. tonnes. The total labour force will be about 4,000.

Selby is expected to be achieving full production about nine years from now. By that time, it is expected that the Central Electricity Generating Board will have built a second 2,000 megawatt power station on top of the coalfield and alongside the existing Drax station.

The whole investment will add up to a power generation complex providing 5 per cent. of all Britain's needs from indigenous fuel.

# Healey expects fall in unemployment

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

INCREASED INDUSTRIAL production and growth, expanding exports and the prospect of unemployment coming down to 3 per cent. in 1979 were underlined by Mr. Denis Healey, Chancellor of the Exchequer, in a buoyant account of economic recovery with which he opened two days of debate in the Commons on Government policy.

Deriding the Tories for what he called the "sullen and grudging support" they gave to the pay agreement with the unions, Mr. Healey also felt able to assure his public expenditure critics on the Labour side that unemployment should be falling before the end of this year.

Already, it was lower than pessimists had been predicting last year, he maintained, and, including interruptions from the Tory benches—he went on to assert that the public sector borrowing requirement would be somewhat lower than the £12bn. he had forecast in his Budget.

On the other hand, the increase in commodity prices had come last year, he maintained, and, more sharply, it meant that the 10 per cent. rate of inflation would not arrive quite so soon as had been hoped.

## Control

Nevertheless, the year-by-year increase in the retail price index should still be down to the levels experienced internationally by the end of 1977.

And the Chancellor gave the further assurance that if it became clear that the growth in the money supply needed restraining, appropriate action would be taken at the appropriate time.

But Mr. Healey took credit to himself for having kept the money supply under "strict control" ever since he had become Chancellor.

In this and in other policies, he contrasted his efforts with those of the Tories when in office, deriding them for what he con-

sidered to be failure not only when they were in Government but also in Opposition. He accused Sir Geoffrey Howe, shadow Chancellor, of "windy rhetoric" and the use of "slap-doodle" arguments, and he urged the Tories to join with the CBI in the warm welcome it had given to the pay policy.

By the time Mr. Healey had finished, Tory front-benchers were seething with indignation, and Sir Geoffrey was cheered when he charged the Chancellor with "offensive claptrap."

Sir Geoffrey declared, "He has told the House precisely nothing." Certainly, Mr. Healey appeared to have chosen to challenge the Opposition to a rumbustious political bout, rather than pave the way for the sober examination by both sides of the course the economy was taking.

He was challenged by Mr. Nigel Lawson (C. Libby) to say how much of the stand-by credit had been used.

Mr. Healey replied "I could tell you, but I shan't."

Mr. Keene (C. St. Marylebone) said: "Unless you come clean and say how much you have used you may in fact be depreciating the estimate of the value of sterling overseas."

Mr. Healey replied: "If you really believe that, I advise you to look at the course sterling has followed in the last ten days."

"When I was asked two weeks ago if we had drawn, I said 'no'. We have drawn since then by half an inch, but I shan't tell the House by how much."

Mr. Healey said that the most important aspect of the agreement with the unions was that Britain would be one of the few countries in the world which could look forward to a rapid rate of economic recovery over the next 18 months.

The rate of inflation in Britain was coming down while it was rising in the rest of the European Community, although there was some way to go before our rate was down to 13 per cent—

the average rate of inflation for the EEC.

But the Chancellor added: "I would not be surprised to find that the rate of inflation in other countries will have passed our 'in the coming winter'."

"The official index of industrial production has risen faster than expected in recent months. The CBI took the view that a rapid recovery was in progress."

## Exports

Exports were also growing faster than expected and unemployment should be lower. The public sector borrowing requirement should also be less than the amount forecast in the Budget.

Growth was faster and was consistent with getting unemployment down to 3 per cent. in 1979. To maintain this progress would require removing industry's monetary policy to make sure it did not fuel inflation.

Mr. Healey said the most important factor in reducing the bottlenecks in industry was the maintenance of a steady flow of supplies. This had been achieved by a dramatic fall in the number of days lost through industrial disputes.

The increase in gross domestic product over the coming year is likely to be 5 per cent. as opposed to the 4 per cent. forecast in the Budget. The increase in industrial output should be 9 per cent. as against the 8 per cent. in the Budget.

Mr. Healey said the previous Tory Government's handling of the nationalised industries and their profligacy over the money supply, had been a major cause of the inflation with which the Labouring for the last two to three years.

He claimed the Tories had lost the power to excite even the most feeble interest in their activities. They seemed to want some of the popularity of the pay policy without saying they agreed with it.

# Sir Geoffrey clashes with Left

SIR GEOFFREY HOWE, shadow Chancellor, said the present Parliament had heard some disgraceful speeches from Mr. Healey, but he had reached a new low.

"The Chancellor has told us precisely nothing. One can only reach the conclusion that there must be all sorts of strange developments in the Cabinet and the Treasury which made it impossible for him to tell us anything further."

Sir Geoffrey tangled with Labour Left-wingers and there were angry scenes when he suggested that some of them "wanted to go beyond the Iron Curtain" for an economic system.

Mr. Eric Heffer (Lab. Walton) demanded that Sir Geoffrey withdraw the comment, which he described as a "sneer."

Mr. John Mendelson (Lab. Penistone) repeatedly challenged Sir Geoffrey, and the clash intensified amid shouts of "Dirty coward" and "yellow coward."

Mr. Brian Sedgmore (Lab. Luton West) told Sir Geoffrey

to "come out of the gutter, wash your mouth out and have a bath."

Sir Geoffrey did not withdraw, but said he had formed his views purely in the light of the scenes during the controversial vote on the Bill to nationalise the aircraft and shipbuilding industries when "the chamber was filled with a choral rendering of the Red Flag."

Sir Geoffrey spoke of Mr. Healey's Marxist past—he was once a member of the Communist Party—and suggested that sometimes Mr. Healey's conversion seemed to be "on the skin."

This prompted Mr. Mendelson to comment: "No one is safe from your sneers."

Sir Geoffrey said Mr. Healey had talked of the divisions in the Tory ranks but the Labour party was increasingly becoming two parties.

Mr. Healey said that he would never be able to carry with him the half of the Labour Party dedicated to the overthrow and destruction of the mixed economy.

But Sir Geoffrey said he was encouraged that the Chancellor

now admitted that inflation destroyed jobs, that profits were important to prosperity, that price control was damaging profits, and that the nation had reached its tax capacity.

Sir Geoffrey accepted the need for a pay policy in the present circumstances but warned that it would not cure the inflation. In the end, he made the cure far harder and divert attention from the really essential policies.

The present policy was causing distortion and damage and it was going to be difficult for the Government to emerge from it next summer.

"Differentials will be bursting to resume their normal pattern," he said. There was "a nightmare legacy of resentment crying out for relief."

Sir Geoffrey added: "The price so far paid for this policy has been too high."

Government spending had remained too high, taxation had remained at an intolerable level, price and dividend control had been maintained with undue rigidity, and a whole raft of unwanted legislation had been thrust through Parliament.

# Callaghan glad to see hostages safe

THE PRIME MINISTER yesterday expressed his "full delight" in the release of Israeli hostages from Entebbe Airport.

But he went on to warn that Parliament should not embroil itself any further in the issue at present.

Mr. Callaghan made the comments after hearing praise from Conservative backbenchers for the Israeli commando raid on

Entebbe. Mr. Kenneth Baker (C. St. Marylebone) said that the Israeli Government's action over the week-end had sought to establish the primacy of the rule of law over a political movement that sought to obtain its ends through "murder and mayhem."

Mr. Callaghan welcomed the fact that the hostages' lives had been saved and that he himself had been saved and that he himself had been saved and that he himself had been saved.

Mr. Winston Churchill (C. Streatham) urged him to tell the U.N. Secretary General that most people in this country believed that the Israelis, by their daring and courageous action, had contributed more to the maintenance and upholding of law and order internationally than the Secretary-General during his entire tenure of office.

Mr. Callaghan replied that he saw no advantage in trying to "play off" the Israeli Government against the Secretary General or seeking to attempt to make him (Mr. Callaghan) deliver judgments on this.

Mr. Callaghan said that it was a good thing that the consequences that had not yet been foreseen. "We should reserve judgment on this while expressing our full delight and appreciation at the fact that many good lives have been saved, the hijacking attempt of the terrorists, which we all deplore and condemn, failed."

The Secretary General had acted as a good friend to both sides in the Middle East dispute. "I do not think that on one occasion he should be publicly rebuked from this Dispatch Box or the Commons."

Later, Mr. Speaker, Mr. George Thomas, rejected an application by Mr. Hugh Fraser (C. Stafford and Stone) for an emergency debate on the Entebbe affair.

Mr. Fraser said MPs were anxious to hear the Prime Minister's statement. Members on both sides had signed motions congratulating the Israeli Government and condemning those who condoned terrorism and piracy.

"There is no doubt that unless there is international action on these matters, terrorism, far from being repressed, will increase," said Mr. Fraser.

# Du Cann argues right to defend Lonrho

THE LONRHO report has been referred to the Director of Public Prosecutions, who has asked the police for assistance. Mr. Sam Silkin, Attorney General, told MPs in the Commons written reply yesterday.

Mr. Silkin said: "It would be wrong, however, to attach any special significance to these facts."

He told Mr. Neville Sandelson (Lab. Hayes and Harlington): "It is the frequent practice in the case of a complex Department of Trade inquiry for the Secretary of State to pass a copy of the inspectors' report to the Director to enable him to consider whether or not any action is called for by him."

Mr. Silkin: "If the Director considers that further informa-

tion is required, it is usual for him to request the police to carry out an investigation since his Department has no facilities for making inquiries."

"In this case, this course has been followed and the police have been requested to investigate certain specific matters arising out of the report."

Later, during brief Commons exchanges, Mr. Edward du Cann (C. Taunton), chairman of the 1932 Committee and a Lonrho director for four years, defended his action in giving extracts from the report at a press conference the previous day.

There were shouts from the Labour benches as he reminded MPs that the report was not a Parliamentary paper and so no privilege question arose.

# Need to rein back accepted, says PM

THE PRIME MINISTER took a firm line in the Commons yesterday over the Government's plans for further extensive cuts in public expenditure next year in addition to those already announced in the February review.

Mr. Callaghan thought the British people would understand the need to "rein back for a year or so."

He strongly emphasised the need for British companies to ensure that their investment overseas was not made at the expense of their activities at home. He also urged companies to repatriate overseas profits to the U.K. as far as possible.

On the domestic front, he indicated that at today's meeting of the NEDC, he would be asking the CBI to ensure that the bigger investment relief given in the revised Price Code was genuinely spent on new plant and machinery.

During exchanges, the Government's proposals for expenditure cuts came in for surprisingly little criticism from Labour Left-wingers.

Mrs. Barbara Castle, former Social Services Secretary, argued that continual chopping and changing in spending plans was demoralising and wasteful. She wanted to know exactly what had taken place since last February 8 to make the Government throw its plans out of the window.

The Prime Minister told her bluntly that in considering public expenditure, Governments had fallen into the error of continually making increases in the resources required instead of looking also at the level of financing required.

"It is this correction that has to be made at the present time," he said. "Nothing has changed about the Government's expenditure plans for 1978-79. It was next year's public expenditure that was under consideration."

Mr. Ron Thomas (Lab. Bristol NW) said that British investment in overseas companies was "so-called innovating" and "so-called etatoin etatoin" were the most generous of any industrialised nation. "Yet our companies failed to invest in Britain while still pouring out 'thousands of millions of pounds' for investment overseas."

The Prime Minister replied that he thought it worth investigating to what extent British companies with direct investment overseas needed to maintain their level of investment or to maintain their profits abroad.

"This is a matter I have been looking into very carefully," he said. "Necessarily, there is a very high level of investment overseas. But we ought to make certain that it is profitable investment and that the profits are remitted back as far as possible after the investment takes place," he added.

## Profits

On domestic investment, he said it was true that the Government and its predecessors had found that giving additional allowances had not encouraged investment to the degree that was expected. The National Enterprise Board was trying to change the schemes it was producing.

The Government was very concerned to ensure that adequate profitability and liquidity were maintained. This was essential if we were to succeed.

Mr. Heffer (Lab. Walton) asked what specific steps would be taken if the companies receiving investment relief did not actually invest.

Mr. Callaghan agreed that this was an important question on which he would be seeking the advice of the CBI at the NEDC meeting. Lord Watkinson, president, had already made it clear that the CBI wanted to encourage companies to undertake a higher level of investment.

If this did not succeed, Mr. Callaghan said, then the Government would have to wait for the moment. He could not forecast what would happen.

# Proposals on Secrets Act reform

THE GOVERNMENT will be putting proposals forward to make the Official Secrets Act less restrictive and more effective, Mr. James Callaghan, Prime Minister, told the Commons yesterday.

Mr. Callaghan was replying to Mr. Robin Corbett (Lab. Hemel Hempstead) who asked whether, when the Prime Minister said last week that he was having a change of mind about the Act, he had meant that he would be making it less restrictive or more effective.

Mr. Corbett asked: "Would you consider introducing a Bill of Rights to make it easier for a citizen to get redress when freedoms are infringed?"

Mr. Callaghan: "I did mean making it less restrictive, but it follows that you can at the same time make it more effective."

He added: "I notice a number of newspapers are doubting my bona fides—I am usually misunderstood in these matters—but it was the result of experience which led me to the conclusion that although, on the whole, I would have preferred to have left the Official Secrets Act untouched, I think the time has come to move in that direction and the Government will have to bring these proposals forward."

As to a Bill of Rights, the consultative document published recently was a very interesting and careful analysis of the proposals both for and against a Bill of Rights."

# LABOUR NEWS

## Union calls talks to-day on bread strike threat

BY IAN HARGREAVES, LABOUR STAFF

TOP-LEVEL talks will be held today in attempt to avert a strike by 12,000 employees of Allied Bakeries, one of Britain's big three bakeries.

The Bakers' Union has instructed its member at Allied, responsible for producing about a quarter of the country's bread, to stop work at 6 a.m. on Friday in support of an official strike by 320 people at the Sharrlocks bakery in Manchester.

Faced with this threat, the Federation of Bakers yesterday stepped into the dispute. It stated that it could not allow a manager to cover undermanned sections and meet order deadlines in return for a cash bonus.

Mr. Sam Maddox, general secretary of the 54,000-strong union, said last night that the agree-

ment had been put in form and that he regarded it as a success.

Agreements to pay the kind involved at £ were widespread in the resulting knock-out local perks. There was no question of calling out workers from other bakeries, although areas there were present members to stop work.

In the last big bake in 1974 the union rank consistently took a meagre line than the bakers' earn a basic 40-hour week.

## New Rover assembly stops as workers complain over heat

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

PRODUCTION OF British Leyland's new Rover 3500, which is trying to meet £17.5m. worth of orders, was halted yesterday afternoon only a week after the offer of extra relief time, which was turned down.

Jaguar lines at Coventry were down to a trickle because of a dispute involving seven workers. More than 3,000 men are laid off.

Although the Rover men work in Europe's most modern assembly plant, costing £25m., port and General Workers to the 270 in the paint shop walked out for the fourth time in eight days complaining of the heat.

"This time they were joined by 1,500 assemblers," this brought production to a standstill with the estimated loss of 25 cars.

In the hottest parts of the paint plant like the undercoat section, the temperature has been hitting 100 degrees and the have proposed coming in at the usual time of 7.30 a.m. and working straight through a six hour shift to 1.30 p.m. instead of doing

an eight hour shift broken by mealtimes and relief breaks. The management pointed out that this would cause assembly to get out of phase and instead offered extra relief time, which was turned down.

Production of Jaguar cars was almost brought to a standstill by the continuing dispute over seven men in the press shop who have left the Trans-Jaguar plant, costing £25m., port and General Workers to the 270 in the paint shop walked out for the fourth time in eight days complaining of the heat.

The other 80 in the press shop walked out on Monday in protest and lay off began on the main assembly line and at the nearby Radford machining shop.

The seven who are refusing to obey an instruction from the executive committee of the AEUW to accept alternative work that management has offered are expected to meet to day to consider future action.

## Tory crash course on 'tricks of Left'

BY DAVID CHURCHILL, LABOUR STAFF

CONSERVATIVE Central Office plans to give about 70 trade unionists a crash course early next month in tricks used by the Left—wingers—to dominate union branch meetings.

Delegates to the week-end course at the Tories' conference centre at Swinton, Yorks., will be addressed by Mr. James Prior, chairman of Employment Secretary, as well as Mr. Jim Mortimer, chairman of the Advisory Conciliation and Arbitration Service.

According to Conservative headquarters yesterday, Mr. Mortimer will stay on safe ground and lecture on the role of ACAS in settling industrial disputes. But his attendance at the Tory meeting could lead to some trade unionists questioning ACAS' independence.

Mr. John Bowis, head of the Conservative Trade Union Department, explained yesterday that the course would be the first of many in various parts of the country to give Tory trade unionists guidance in running union affairs.

Delegates will be held that Left-wing militants "pack" meetings by spreading their support around the hall to give the impression of widespread support, as well as ways in which militants can influence union elections.

"The course will be a combination of techniques used by Left-wingers as well as explaining the statutory requirements for trade unions," Mr. Bowis said.

These week-end courses are also intended to provide the Tories with a "feedback" of grass-roots opinion on Conservative policies towards unions.

One issue will be how far the Tories should become involved in supporting moderate candidates in union elections, after the controversy earlier this year when lists of moderates were published by Central Office.

Delegates to the first course have been chosen by local constituency associations, who have also paid part of their fees, but later courses may be opened to rank-and-file Tory trade unionists.

## Blastfurnacemen back TUC line on Boards

BY OUR LABOUR STAFF

THE NATIONAL UNION of Blastfurnacemen committed itself at its conference at Llandudno yesterday to 50-50 trade union representation on the Board of the British Steel Corporation.

Mr. Hector Smith, the union's general secretary, said it would support the TUC line of 50-50 Boards, so long as individual members were given the right to nominate their own representatives without interference by the employer.

It would not be acceptable in the steel industry, he added, for

worker-director nominations to come from the TUC Steel Committee.

The blastfurnacemen's union has two workers' seats on the BSC Board out of a total of 17.

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It would not be acceptable in the steel industry, he added, for

## Aid sought for apprentices

The Association of Professional Executive, Clerical and Computer Staff has written to five sponsored MPs, including three Cabinet Ministers, demanding immediate action to combat unemployment among school-leavers.

It is seeking an extension of financial assistance to companies taking on apprentices and the provision of more full-time and day release educational courses.

Cumbernauld and Kilsyth Council will meet to-morrow to discuss the seven-week strike by busmen over proposals to cut bonus payments as part of the public expenditure reductions.

On Monday the men reversed a decision to agree to a 45 cut in bonus plus £250 for removing

growing piles of rubbish and are now seeking a cut of only £4 and payment of £500.

Dressing down A NEW development in the safety row involving 1,000 strikers who have halted construction at the 2300m. power station at the site of Drax, Kent, came yesterday when a joint meeting of unions and employers were told by the Factory Inspectorate that protective clothing had to be provided for employees.

Tripartite plan Mr. Jack Jones, general secretary of the Transport and General Workers' Union, yesterday urged workers walked out over a strike for increased overtime pay. Officials will meet the day to try to settle the

Yard halted WORK AT The Wharfedale yard at Dock Point. Bonus payments as part of the public expenditure reductions.

On Monday the men reversed a decision to agree to a 45 cut in bonus plus £250 for removing

## 'Political conniving' angers union ch

By Christian Tyler, Lab

MR. GEORGE SMITH, secretary of the Union of Construction Industry Technicians, said yesterday his union might withhold the Construction Industry Board because of "political conniving" by the Department of Employment.

He is angry over the men of a retraining offer of the rival Transport and Workers' Union to be its new chairman.

UCATT's three spouses are to protest to Mr. Booth, Employment Secretary, about the men of a retraining offer of the rival Transport and Workers' Union to be its new chairman.

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# FINANCIAL TIMES SURVEY

Wednesday, July 7 1976

## Vans and Light Trucks

The U.K. remains a strong manufacturing centre, but competition is increasing, especially with the Japanese arrival on the market. The trading performance of the industry is patchy and although registrations this year will not be high, recovery should take place on the back of the car market revival.

llers' market the rizon

**erry Dodsworth**  
Industry Correspondent  
DING TO some of the estimates, commercial manufacturers will be to sit out yet another tely poor year in 1976 spotting recovery on the about seven or eight from now. There are ore optimistic voices in lustry who see markets up in the latter part year, but by common even if they do it will w year for registrations. g three relatively poor since the peak 285,000 itions recorded in in 1973. And van manu- y, like the rest of the y, have had to bear a of the difficulties. is not to say that the van and light truck y is in deep depression. f it are doing quite satis- y, mainly because of a onto export markets. Ford's Transit output ually gone up this year, his factories are on full orting. The same is true Land Rover production

lines, which pushed output to record levels of well over 50,000 units last year as the company shifted workers from cars to the adjacent Land Rover assembly. Both these companies have been able to take up the slack by pursuing export business, the Transit gradually building up its penetration in Europe, and the Land Rover making more and more headway in third world markets. In general terms, however, both car-derived vans and pickups and the medium trucks sector of vehicles weighing up to 3.5 tons gross vehicle weight are suffering from the depressed market this year. The vans and pickups business, having just topped 100,000 sales in 1972, slipped back to 72,000 in 1975, and is off again slightly this year, although there are hopes that it has bottomed out and will achieve roughly the same level as last year. The medium sector, which achieved about 90,000 sales last year, could easily be off by about 5,000 units this year. Such reverses were inevitable against the background of the current business recession. The light commercial vehicle industry is heavily geared towards the buoyancy of the consumer trades, and it is a feature of truck markets that the recovery of consumption after a recession first feeds through into motor car buying and is then followed by other sectors. When those begin to move, and industry requires more vehicles to move goods around, and can afford to replace old ones, the commercial vehicle manufacturers are

dragged back up with the general trend. Despite the difficulties of the market, however, there have been some interesting product developments over the last two years. The most marked innovation this year has been the new Volkswagen LT truck, powered either by a petrol engine or a Perkins unit, and clearly designed to hit the top range of the Ford Transit and the same company's A series. In Germany it will also be a contestant for the market now dominated by the light trucks which Mercedes developed after the takeover of Henschel-Hanomag had taken it into this sector of the market. **Expansion** The LT has sold quite well in Britain after a large-scale—and presumably quite expensive—expansion of its dealer network. There have been some doubts as to whether its cab-over design, which means that the cab has to be lifted to service the engine, is the right approach for this market, however, and in Britain at present VW has a hard struggle with prices because of the high rating of the German mark. Hence in total its sales are slightly down this year—at 2,497 against 2,826—against the first five months of 1975. The most spectacular entry into the light commercial market has been by Datsun, the Japanese manufacturer better known in the U.K. for its successful leadership of the car importer league. Datsun, of course, like its great Japanese rival Toyota, is a very large-scale manufacturer of commercial

NEW REGISTRATIONS OF NEW GOODS VEHICLES IN THE U.K. BY MANUFACTURER					
Manufacturers	Car derived vans and pickups		Other goods vehicles up to 3½ tons (includes light 4 x 4 eg Land-Rover)		
	January-May 1976	1975	January-May 1976	1975	
<b>BRITISH</b>					
Bedford	5,293	6,426	5,656	7,174	
British Leyland	13,649	15,745	9,561	9,867	
Chrysler	—	—	2,229	4,902	
Ford	9,242	6,991	14,342	17,648	
ERF	—	—	—	—	
Foden	—	—	—	—	
Seddon Atkinson	—	—	—	—	
Others	—	10	30	34	
Total British	28,184	29,172	31,818	39,923	
<b>IMPORTED</b>					
DAF (Holland)	—	22	—	—	
Chrysler (France)	1,544	2,711	—	—	
Citroen (France)	26	97	—	—	
Peugeot (France)	—	—	93	70	
Renault (France)	648	736	—	—	
MAN (FGR)	—	—	—	—	
Magirus Deutz (FGR)	—	—	—	—	
Mercedes-Benz (FGR)	—	—	482	416	
Volkswagen (FGR)	—	—	2,497	2,826	
Fiat (Italy)	—	—	714	807	
Datsun (Japan)	1,347	3	—	—	
Mazda (Japan)	—	—	508	609	
Toyota (Japan)	—	—	928	1,396	
Moskvich (USSR)	207	278	—	—	
Scania (Sweden)	—	—	—	—	
Volvo (Sweden)	—	—	—	—	
Others	2	6	64	58	
Total Imported	3,774	3,853	5,286	6,182	
GRAND TOTAL	31,958	33,025	37,104	46,107	

vehicles, and because of the peculiarities of the Japanese road system, these tend to be concentrated in the lighter sector; indeed, the Japanese do not make any really heavy trucks like the Europeans.

Given this strength, and Japanese expertise in export markets, it was probably only a matter of time before Datsun made an attempt on Britain, and following the furore about its car imports last year, it

vehicles, and because of the peculiarities of the Japanese road system, these tend to be concentrated in the lighter sectors: indeed, the Japanese do not make any really heavy trucks like the Europeans. Given this strength, and the Japanese expertise in export markets, it was probably only a matter of time before Datsun made an attempt on Britain, and following the furore about its car imports last year, it

evidently decided to switch tactics: this year, the company's car sales have been held steady, but at the same time its pickup registrations have gone from three in the first five months of 1975 to 1,347 this year. On a world scale it is true to say that the Japanese companies to-day dominate pickup manufacturing, once quite a strong feature of the European industry. Where the Japanese have scored most is in the U.S., a large market for these open rugged vehicles, which are often used for holidaymaking in more inaccessible terrain. Datsun has also shown itself to be extremely deft in exploiting the market in the Middle East, where pickups are now used very much as traditional all-purpose beasts of burden. Nomadic tribes are even said to transport their camps and equipment by pickup to-day rather than the camel, and Datsun has certainly made a strong impact with the vehicle in Saudi Arabia. Within the U.K. Mazda and Toyota have also made some impression in light commercial vehicles, the latter being particularly successful with its motor home van. But so far this year, they have suffered from the downturn in the market and the recovering strength of the domestic British producers: Toyota, for example, has sold 928 vehicles in the first five months of 1976 against 1,396 last year.

The signs are that competition within the U.K. and Europe will intensify in this sector of the market. Although profit margins on light commercials are obviously much lower than on

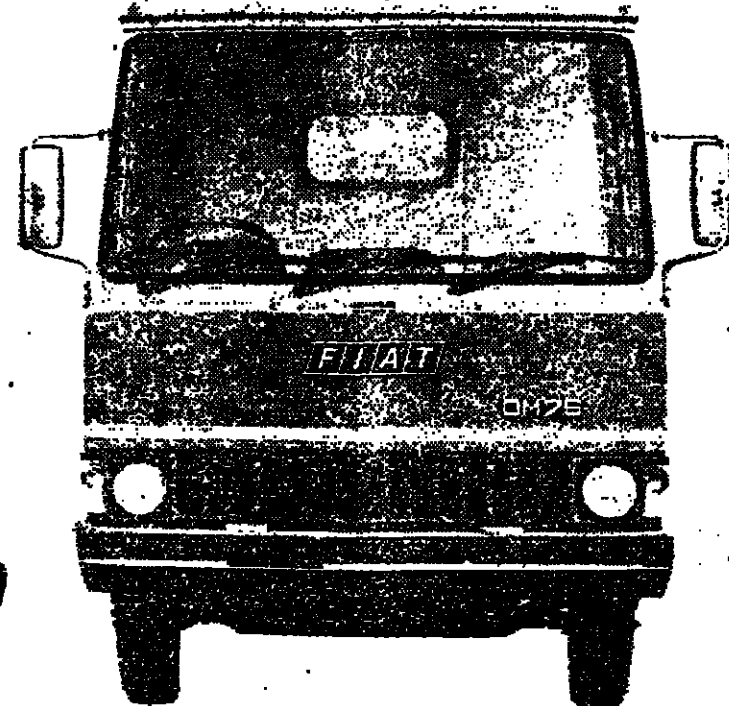
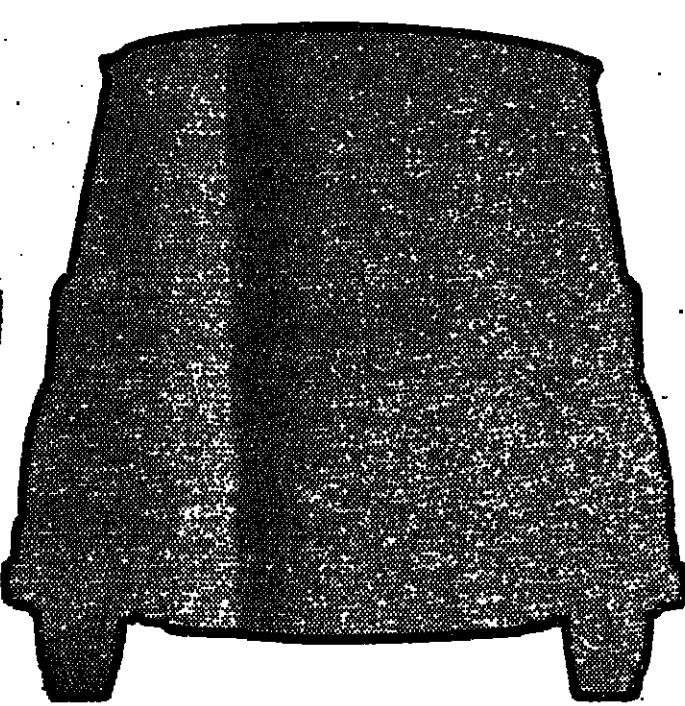
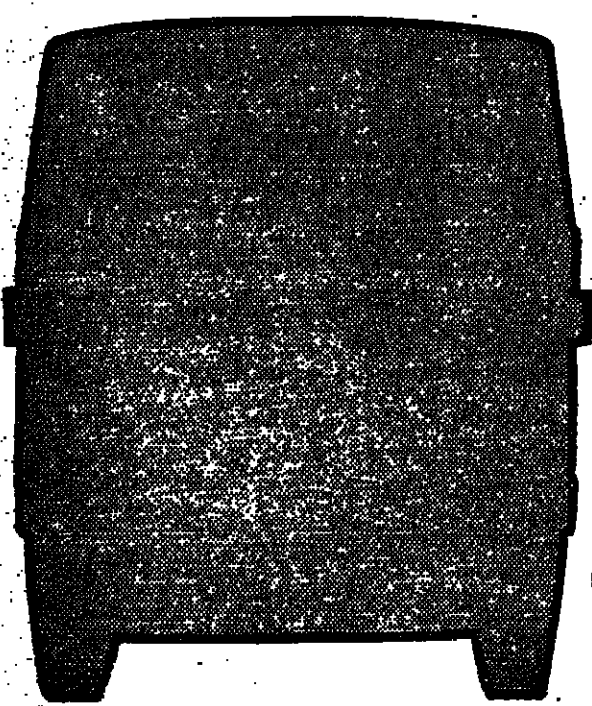
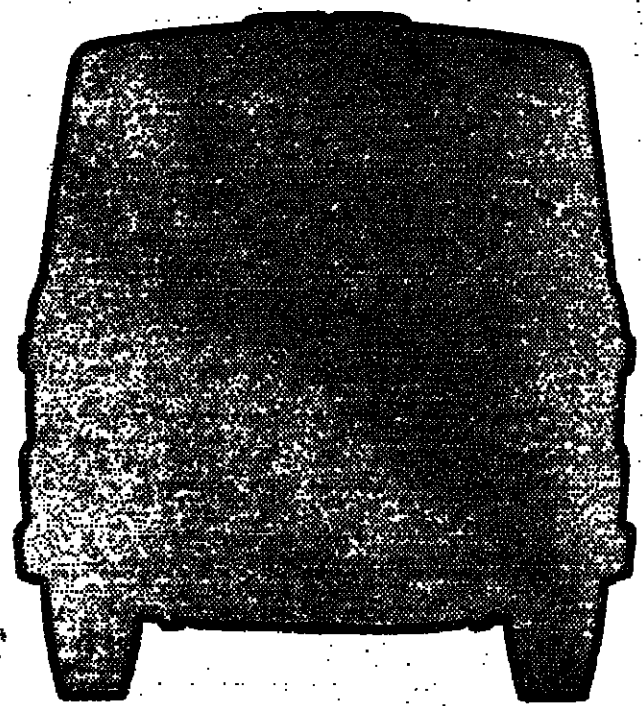
the prestige big trucks, these vehicles cover by far the largest sector of the market in terms of unit turnover, and in recent years European manufacturers have been turning their attention towards rationalising their product ranges. Ford has possibly made the running on a European scale. With the emergence of the Transit, in 1965, it developed a vehicle to underpin the whole of its commercial range, and by the flexible use of two wheel-bases and a variety of engines, managed to extend the vehicle up to 3.5 tons gross vehicle weight, above which users have to have a special operators' licence. This was followed by the A Series truck, which was basically an operation in "niche-filling" spotting a gap in the market and providing a tailor-made product for it. The point about the A series is that it covered the gap between 3.5 tons gvw and 7.5 tons gvw, a small sector in terms of volume, but quite important since 7.5 tons is the break point above which drivers must have a heavy goods licence. Above this Ford developed the "D" Series truck which in a variety of configurations expands all the way up to 28 tons, but in its lightest form can just be fitted in below the 7.5 ton level. These vehicles have also given Ford manufacturing almost entirely in Britain, a range with which to tackle Europe. Its strategy has been

### Strategy

Britain continues to be a strong manufacturing centre. Bedford, manufacturing the CF and heavier TK range van, has also had considerable success in Europe—General Motors' German subsidiary, Opel, does not manufacture commercial vehicles, leaving the field to Bedford and Chrysler's PB van which has sold steadily. Chrysler is also planning a new walkthrough

CONTINUED ON PAGE 11

## IN THE E.E.C. 1 IN EVERY 4 TRUCKS IS ONE OF OURS.



Born in 1899, Fiat built their first truck just 4 years later. In 1925, the world's first motorway opened on their home ground. In Italy. This meant that Fiat had a perfect

testing ground for their early trucks. So you see every new Fiat truck is the result of years of road experience. Millions of miles. Maybe it's one of the reasons why

Fiat is so popular in the EEC.



Fiat Commercial Vehicles—an IVECO Company





## VANS AND LIGHT TRUCKS II

## Rationalisation at the lighter end

RATIONALISATION USED to be the vogue word in the car industry, but in the last few years it has also come to be applied increasingly to the commercial vehicle market as well. Within the space of about 24 months two significant milestones have been passed, with the emergence of Iveco, the truck group put together by Fiat in Italy, France and Germany, and the Club of Ten with its design for a light truck shared between Volvo, DAF, Scania and KHD. Both of these developments are signs of the competitive pressures building up in the market place as Europe gradually becomes more homogenous in its buying tastes, and in the field of light trucks they will inevitably bring more standardisation to a sector of the commercial vehicle industry which still seems highly localised in design influence.

The Club of Ten project, for example, has produced a common design for the companies in the four countries involved. There is the option, of course, of local component options, Volvo, for example, choosing to use a Perkins engine, but most of the major parts, like cab panels, are made centrally. Again, in the case of Fiat, one of the objectives of the creation of Iveco was to produce a more streamlined design and engineering business across Europe, with Italy becoming the centre for heavy trucks and France most likely concentrating on the lighter end of the range.

Further important developments can be expected within the next 12 months. In Germany, for example, there is a high probability that Volkswagen, having launched its LT in the 2.9 to 3.8 ton

gross vehicle weight category will enter the next weight range up as well through a joint development with MAN. The two companies already have loose commercial links, and if the project gets off the ground they will probably share design and development, with VW looking after the cab, and MAN the engine; manufacturing might then be linked on the same basis.

Even more interesting are the talks now going on in Poland between General Motors and the Polish truck authorities for the creation of a new light commercial vehicle factory. The negotiations have been extremely protracted, partly because both sides are tough bargainers, and partly because GM is insisting on retaining a long-term interest in the project: its chairman, Mr. Pete Estes, said recently in London that GM will simply not enter into a technological deal in Eastern Europe without some continuing financial stake. But if the deal comes off—and it could be signed within a matter of weeks—it would almost certainly mean substantial orders for Bedford, the GM subsidiary in Britain which has had a team working on the project.

## Position

What the Poles eventually want is a light truck in the range above 3.5 tons gross vehicle weight. This is a sector of the market which Bedford itself wants to tackle having established an extremely strong position in the U.K. with its range of heavier vehicles, which it is now selling in increasing numbers on the Continent. Thus there is an opportunity for a co-operative type of trade-off,

with the Poles building a plant and making a product to a Bedford design, and the British (or American) company then using the Polish plant as a supply base for sales of the vehicle in Western Europe. GM would thus have a long-term marketing interest in the new vehicle, and also get a product that fills a gap in its range.

Deals of this kind with Eastern Europe are relatively new but becoming more and more significant for both commercial vehicles and cars. For example, in Britain this year the MAN distribution organisation has started to import Roman 16 ton trucks from Romania in order to get a pricing edge that would not be possible with vehicles from West Germany. The Roman vehicle, is a MAN design and virtually identical in appearance.

Within Western Europe itself, however, the international sales drive is developing more and more force as the large truck companies move across their national boundaries with distribution and service networks. The spur to do this came from the heavy end of the truck business as international haulage spread across Europe to replace the traditional forms of shipment. To stay in this business manufacturers have had to build up strong dealer networks and service networks overseas; and having done that it is inevitable that, where in their lighter products should be pushed through these distribution systems.

A significant case in Britain is Mercedes-Benz, which has spent a lot of money in the U.K. in the past three years trying to establish a base for its heavy truck sales. The company is now also placing increasing exports over 4,000, and the

weight on its lighter range of Dusseldorf Transporter vehicles, which compete in the 3.4 to 6.4 tons GVW range. As with its heavier commercial vehicles, Mercedes will try to sell these at premium prices on the basis that they are high quality machines with longer built-in durability.

Volkswagen, on the other hand, has approached from the other direction, building its light truck range on to its car activities. For many years the base for this business has been the rear-engined VW vehicle that has been particularly strong in the motor home business. But with the new LT truck, VW is expanding its appeal up the weight range and using a diesel engine (made by Perkins) for the first time.

## Excursion

British companies, particularly Ford, are themselves developing as a supply base for the rest of Europe in this category of vehicles. Ford really began its excursion onto the Continent with the Transit, made in Genk, Belgium, using British engines, but now supplied from its Southampton factory as well. As in Britain the Transit's qualities as a nippy versatile vehicle have proved a strong sales factor, and it has made some significant gains; in Italy, for example, Ford claims to have about a third of the Transit-type market, a surprising achievement given that the company has made very little penetration with its cars there.

This year, too, Ford has built 300 more of its D-Series models than in 1975, bringing its total part of 1975, bringing its total

A Series has doubled production (to well over 7,000 units) following its introduction to European markets. Overall, Ford has stepped up its commercial vehicle exports by about 30 per cent, this year, including units sent overseas in kit form.

Ford's example is being followed in Europe by British Leyland, already established in one or two markets, but now attempting to extend its commercial vehicle penetration in line with the Ryder Report recommendations. Leyland will probably attempt to forge ahead in the EEC by concentrating on its lighter vehicles until its new range of heavy trucks is complete: the Sherpa van, for example, presumably has potential in much the same way as the Transit.

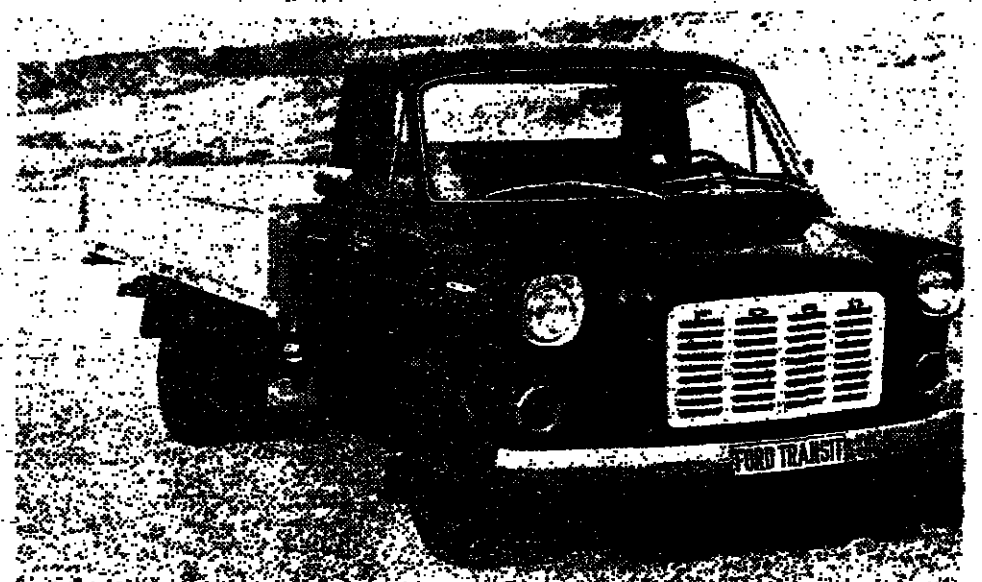
At the same time Bedford, Britain's biggest exporter of heavier commercial vehicles, has established its position as the centre of General Motors' commercial vehicle activities in Europe, and is gradually reorganising its sales and marketing arm to give the British company greater control over the push into Europe.

With the Bedford CF, the Ford Transit and A series, and the Leyland Sherpa, EA and FG vans, Britain has a wide range of competitors at the light end of the market. By today's European standards they are also cheap. British vehicles are reckoned to have about a 10 per cent advantage in Europe, and the currency situation should retain that edge for some time to come. This being so there are plenty of opportunities abroad for British manufacturers; and the evidence from increasing export production is that this chance is being seized.

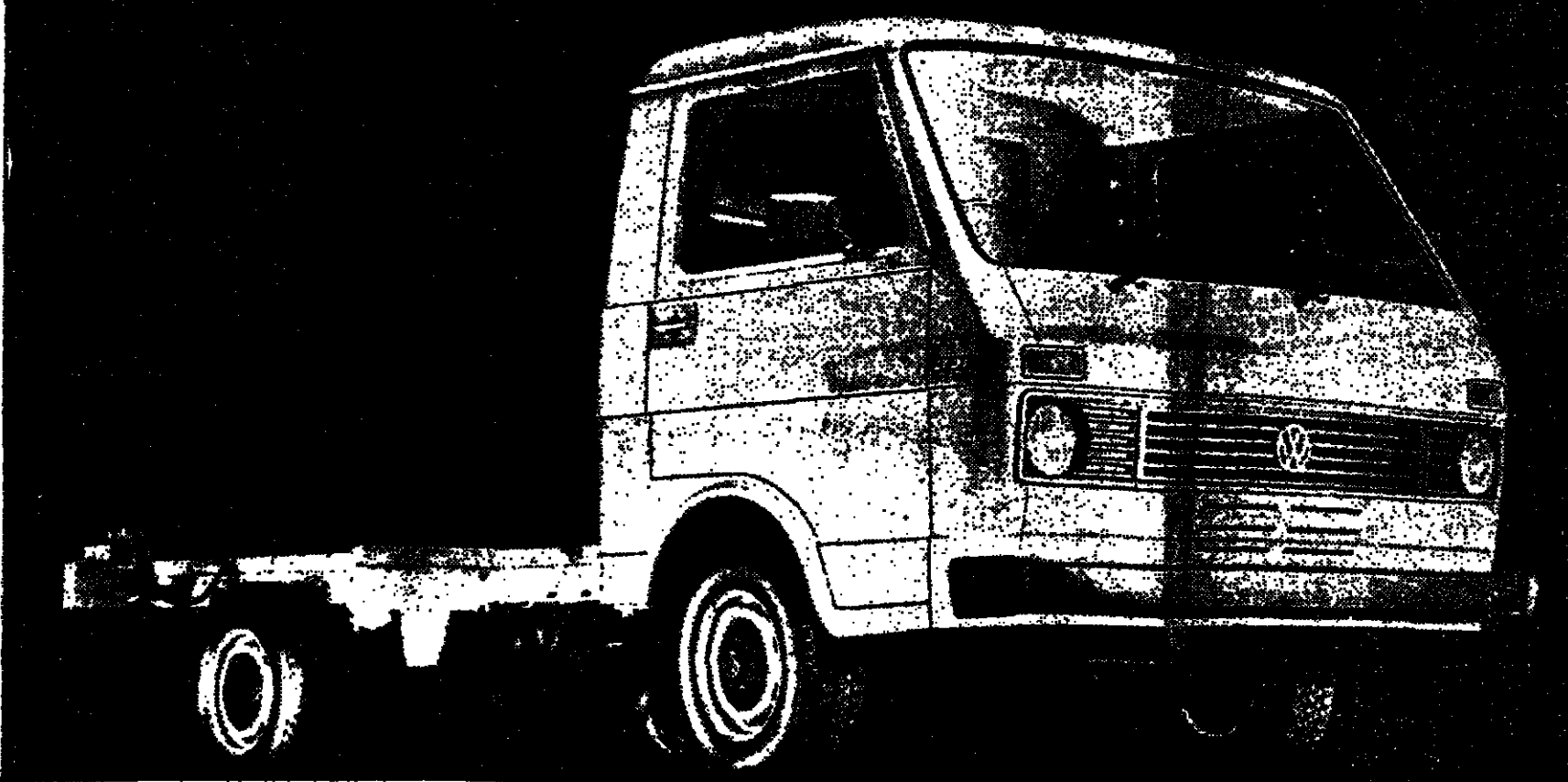
Terry Dodsworth



Two of the popular light vans. The Commer PB 2500 van (above) and the Transit.



## INTRODUCING THE NEW CONVERTIBLE FROM VOLKSWAGEN.



After many years of research Volkswagen are proud to introduce a completely new standard in light truck design.

The LT. The convertible chassis cab you see above and the factory versions you see below merely hint at its adaptability.

First of all, it comes in three nominal payloads (depending of course on body weight):

LT 28, 16-ton and LT 31, 1.75-ton. And LT 35, 2-ton.

Secondly, should you decide on the LT 35, you have a choice of wheelbase; whichever you choose, the forward control design gives optimum body lengths ranging from 10' to 13'.

Thirdly, and with two engines.

Either a 2 litre Audi overhead cam, or a 2.7 litre Perkins diesel. Both are up-front and water-cooled.

Whatever the innovations, though, we're as loyal to economy and reliability as we've always been. For example, LT is very competitively priced, travels a profit-conscious 21.9 m.p.g., and will cover 10,000 miles between major services.

Our economic standards satisfied, we went to work on the cab.

With the help of a computer we developed a universal driving position. So whatever shape or size you are, you'll find it unusually comfortable.

Not only that, it's exceptionally quiet. As for visibility, the view through 22 sq. ft. of window glass can only be described as panoramic.

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Specialist truck dealers.

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Or post the coupon today and we'll send you the full story.

Please send me more information on the new Volkswagen LT range.

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Post to: Volkswagen LT, P.O. Box 1, Weybridge, Surrey, Middlesex, TW20 2EX

or to: Volkswagen LT, P.O. Box 1, Weybridge, Surrey, Middlesex, TW20 2EX

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## Japanese pick up the profits

THE LAURELS — and the profits — in the world pickup market have been unquestionably captured by the Japanese manufacturers in recent years. Why this should have happened is not exactly clear, since many European producers have been established for a long time in markets such as the U.S. and South Africa where sales have been strong.

But the Japanese strategy has been well worked out. From their large bases in the U.S. where pickup demand is strong, sales have swiftly been extended into other markets, spreading to Indonesia, South Africa, Australia and now in the last two years or so into the Gulf states and Europe.

In the connected market for heavier workhorse vehicles like the Land Rover, the contest is fiercer. Profit margins are much higher in this sector, and not to be relinquished easily. Technological factors play a larger part, with the Land Rover still maintaining a lead over its rivals. But there is no doubt that here, too, the Japanese have proved a worthy competitor. The Toyota Land Cruiser, sold like the Land Rover throughout the world (North Korea is the only country which Land Rover claims not to have penetrated so far) is now produced at the rate of about 100,000 units a year, as against the Land Rover's 55,000, and the Jeep, one of the products of American Motors, probably has a top capacity output of about 120,000 units a year.

## Feature

The market for pickups and small vans has fallen in Britain this year. As a whole it has gone down from 33,025 sales in the first five months of last year to 31,958 in 1976. Land Rover sales have dropped over five months from about 4,500 units last year to 3,700. Toyota, which only began importing the Land Cruiser a year ago has sold about 130 vehicles.

The outstanding feature of the car derived van and pickup sector of the market this year has, in fact, been provided by Datsun, which after a brief test marketing period in the latter part of last year launched its pickup in the U.K. in January. Since then Datsun's sales have shot up to 1,347 units in the first five months, some compensation, perhaps, for the slight fall in its car registrations which have dropped back since its decision to impose voluntary restraint on sales in Britain following the row over Japanese imports last year.

The only other significant importers in the light van and pickup — field — are Chrysler France (Simca), Renault and Moskvich, the Soviet distribu-

tor. But all of these have taken something of a knock this year. Since sales were down from 2,711 to 1,544 over the five months, Renault's from 736 to 648, and Moskvich's from 273 to 207.

Much of the lost business must, in fact, have gone to Ford. Although the total market is only down about 3 per cent — from 33,000 units in 1975 to 31,950 in the last five months — Ford sales have risen dramatically from 6,990 to 9,240. Part of this must be attributed to the difficult patch Ford went through last year when it introduced the new Escort car and van, but the company seems to have gained both at the expense of domestic and importing manufacturers. Bedford sales fell from 6,426 to 5,293, and BL's from 15,745 to 13,649.

The 4 x 4 business in which the Land Rover competes is much more international in outlook. Whereas car-derived van and pickup sales take their lead basically from car sales, and are therefore dominated by home producers, 4 x 4 manufacturers have had to go into exports to achieve volume. Something like 75 per cent of all Land Rovers, for example, are sold overseas. During the last two or three years, this international market has been extremely healthy, buoyed up by the commodity boom of 1973/74 and the escalating oil prices, which generated the funds for some developing countries to go out and buy equipment.

Workhorse vehicles like the Land Rover always tend to benefit from such swings in the international market, because they are perceived as basic pieces of equipment which are essential for opening up new developments and improving communications in rugged countryside.

In recent years the Land Rover has had to face increasing competition from several quarters, and there is no doubt that rival manufacturers are extremely serious in their attempts to get a share of what has been a very lucrative market. Both the American Motors Jeep and the Toyota Land Cruiser are now well ahead of the Land Rover in annual worldwide sales, and more competition is coming from the Romanian-made ARO Land Car, a military-designed vehicle which has been adapted for more general purposes.

There is also a plan at Mercedes to launch a similar vehicle, said to be somewhat more sophisticated than the Japanese products. Leyland itself is believed to have plans under discussion to expand its production at its Solihull site where space has

been released by dropping old 3.5 Rover with the new Rover 3500.

There are doubts, of course, that the market is big enough to accommodate all the that have come on in recent years and also expansion from the producers. Clearly profit margins — might have dropped. But so far it has been little evidence of a falling demand on world for 4 x 4s despite the r

## Opportunity

Leyland is in the po having a whole new opening up for itself Middle East. Since the A cot regulations were against the company two ago, it has been clear there is still plenty of to be had in this region. Arab states have of co ways taken the Land R military purposes des embargo, and in these c there is considerable demand from custom know the vehicle's virt

At the same time clearly an opportunity military contracts wil states, who find the vehi for desert and semi-des rain. And Saudi Arabia and provided a great business for the Land is obviously a market

In future it is likely greater proportion of 4x facturing will be done o from "knock-down" kits land already has a nu satellite plants around t working on this basis, a Japanese are well aware pressures to do the sa

Overseas KD assem developed quickly over t few years as developi tries try to use car anc plants as central meeh for training workers in trial skills. Truck plant this goes for Land Rover are ideal for this, betac end product is a vehicle is needed for productiv opment while the assem cess tends to be simple for cars. The future d ment of this market, the will closely hinge on the, of the developing countri

Terry Dodsw









# Boost for the rental sector

AS A RESULT OF improved demand for rental and leasing of light commercial vehicles during the first six months of the year in particular, rental companies are generally increasing their fleets which were allowed to run down considerably during the worst of the recession.

The feeling of uncertainty which persists in industry generally has meant a comparatively slow pick-up in demand, but in some respects this has been beneficial to the rental companies.

Although business conditions have improved, the effects of inflation on the cost of new vehicles has made customer companies unwilling to invest large sums of money in rebuilding vehicle fleets to their former size. Again they are turning to the rental companies for additional capacity.

A number of rental companies have therefore directed their marketing resources at the business rental sector, rather than private rental, in an effort to increase their share of this apparently growing market. This strategy is linked to the balancing seasonal trends in demand, in which the requirement for private hire is marginally greater during the winter and company hire is greater during the summer.

Recent research carried out by Budget Rent a Car has shown that about 2m. people rent vehicles during a year, with about 1.5m. of these regarded as "infrequent" customers and the other 500,000 as regular customers. Of these 300,000

around 95 per cent. are business customers.

Like the other major rental companies, Budget reports a significant improvement in overall demand, running at about 10 per cent. higher than during the first part of last year. The underlying reasons for this, apart from better business conditions, are not totally clear.

It is suggested that the "cottage industry" section of rental companies, those owning perhaps five or six vehicles and renting at low rates in localised areas, has suffered in recent times. Due to the increasing cost of servicing and buying new vehicles, they have reduced their already small fleets. On the other hand it is argued that many smaller operators, linked to dealer outlets, have improved their hold on localised markets.

It is felt that the van rental market has in any case been generally oversubscribed in recent years and that the low rates charged by many operators have had a cumulative effect on reducing investment in new vehicles. Although this has occurred at a slow pace, it may have worked to the advantage of larger companies, particularly those with car rentals to generate more capital.

## Competition

Although this competition has tended to keep rates fairly stable for some time, increasing demand is expected to push rent vehicles during a year, with about 1.5m. of these regarded as "infrequent" customers and the other 500,000 as regular customers. Of these 300,000

investing in new vehicles themselves.

A comparative newcomer to the rental business, which has in the past been dominated by companies such as Hertz, Avis, and Godfrey-Davis, is British Road Services. Although BRS has concentrated on the heavier end of the market, its reputation as an experienced transport operator has been an important element in its overall marketing strategy.

After entering the market in January last year, BRS aimed at capitalising on the considerable resources it has for its normal activities. Rental was regarded as a further product line, operated by each regional company, and vehicles are offered on hire for periods of two, three or five years, and rentals for a minimum of one day.

It now has a fleet in excess of 700 vehicles, with light and medium weight vans comprising only 18 per cent. of the total. A further 60 per cent. is in the four to ten ton payload range and the remainder articulated vehicles. Current purchases of these are expected to increase the heavier range to 30 per cent.

The company is extremely optimistic about its growth pattern and believes that in 18 months it could dominate the industry, although it has experienced some difficulties on late deliveries of vehicles. This is believed to be a reflection of overall demand for commercial vehicles, particularly at the heavy end.

Given that there will be in-

creased competition in future, a minimum but retaining sufficient capacity to meet any contingencies.

The alternative to rental, which offers similar advantages over the longer term, is leasing or contract hire. One of the major advantages of leasing is that vehicle operation can be regarded as a fixed cost over a period of time, with maintenance, service and replacement vehicles included in many longer term leasing deals. With unpredictable peaks and troughs in business trends, this can be a considerable advantage.

In a "service" lease, financial factors such as trends in interest rates and taxable profits have played a less significant part in the overall calculation, although other features, such as the rate of inflation, in repair and maintenance have to be taken into consideration.

These deals basically involve the supply of vehicles and associated services to meet the special needs of a haulier or own-account distributor over a specified period of time, and may on occasions include a driver.

Again, the future of this sector appears to be satisfactory, due to the over-riding economic considerations such as high interest rates and the cost of new vehicles. It appears that while these factors mitigate against the customer buying his own vehicle outright and leasing, contract-hire or rental assists him in minimising overheads, the industry will continue to prosper.

## Range

Godfrey Davis, with a large range of activities and possibly the largest in the van rental market, foresees a growth in overall demand more or less in line with consumer demand, but is more optimistic about rentals to individuals and very small concerns. Nevertheless, its marketing activity is equally directed at both markets. Like other companies, it continues to pursue a policy of tailoring the size of its fleet to the level of demand, keeping overheads to

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Lorne Barling



The Simca 1100 pick-up.

## Export record remains good

THE OPINION expressed recently by Sir William Bates, then president of the Society of British Motor Manufacturers and Traders, that export growth is the only way to overcome the home demand, has since become a truism as far as commercial vehicle manufacturers are concerned.

Their record on exports is already extremely good, with the U.K. producing and exporting more commercial vehicles than any other country in Europe. But the message delivered to British Leyland in the Ryder Report in respect of light commercial vehicles, to substantially increase its share of the European market is significant.

Europe is the closest and certainly the most buoyant market for these vehicles and in the long term is likely to show the greatest growth.

Clearly realised this many years ago and has captured a large share of the market, but British Leyland is now somewhat cautiously going about getting its own slice of the cake.

The exact size of the European market is perhaps worth examining in terms of individual countries. In 1974, the U.K. exported 18,000 vehicles (under three tons) valued at £14.9m. to EEC countries. In 1975 it exported 20,600 vehicles worth about £25m.

Other models include factory-built integral construction pick-up and the chassis derivative. The chassis cab and chassis front end models use the same basic mechanical units as the van for simplicity of spares and service.

Ford's continuing success in Europe with the Transit will be celebrated in August when 1m. of the vehicles will have been built over a period of 11 years.

Over that period about 550,000 will have been built at countries such as Germany, France, Belgium and Luxembourg and particularly Italy, reflect the policies of many U.K. producers of more aggressive marketing. The level of imports from Europe, consistently running at around 13 per cent, have not been a cause for concern among manufacturers, although certain European companies are also looking seriously at the U.K. market.

British Leyland's export strategy, obviously aimed at fitting in with overall goals set out in the Ryder report, has been to introduce its Sherpa challenge the long wheelbase

version of the Transit, well-tailored for the U.K. customer to a limited number of countries in the first instance. It is regarded as essential to build up a high standard of service and back-up before tackling more countries.

In deference to Continental preference, it has introduced side-door vehicles first, in France, Belgium, the Netherlands, Denmark, Switzerland and Finland. So far this has proved successful and it is hoped that launches in other countries will follow soon.

Although the policy is aimed at preventing British Leyland over-reaching itself and being unable to provide sufficient vehicles or satisfactory back-up, the current price advantage enjoyed through the weakness of sterling must create a temptation to speed up involvement.

Leyland, like other companies, is nevertheless aware of the danger of opening up a gap in the home market by exporting high volumes.

Sales of the Sherpa in the U.K. have risen, even during a period of declining demand and sales running at around 100,000 units a year, according to one estimate. This is due mainly to the extremely good test of its abilities. In the U.K. it is offered in three basic payloads, designated by the number which corresponds with the gross vehicle weight in tons.

The 185 model (1.85 tons GVW) has a nominal payload of 13 cwt.

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version of the Transit, well-tailored for the U.K. customer to a limited number of countries in the first instance. It is regarded as essential to build up a high standard of service and back-up before tackling more countries.

In deference to Continental preference, it has introduced side-door vehicles first, in France, Belgium, the Netherlands, Denmark, Switzerland and Finland. So far this has proved successful and it is hoped that launches in other countries will follow soon.

Although the policy is aimed at preventing British Leyland over-reaching itself and being unable to provide sufficient vehicles or satisfactory back-up, the current price advantage enjoyed through the weakness of sterling must create a temptation to speed up involvement.

Leyland, like other companies, is nevertheless aware of the danger of opening up a gap in the home market by exporting high volumes.

Sales of the Sherpa in the U.K. have risen, even during a period of declining demand and sales running at around 100,000 units a year, according to one estimate. This is due mainly to the extremely good test of its abilities. In the U.K. it is offered in three basic payloads, designated by the number which corresponds with the gross vehicle weight in tons.

The 185 model (1.85 tons GVW) has a nominal payload of 13 cwt.

Other models include factory-built integral construction pick-up and the chassis derivative. The chassis cab and chassis front end models use the same basic mechanical units as the van for simplicity of spares and service.

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# The Management Page

EDITED BY JOHN ELLIOTT

Christopher Lorenz outlines the changes of structure and fortune of the electronics group which looked in danger of becoming a National Enterprise Board 'lame duck'

## The regeneration of Ferranti

ANYONE WHO thought Ferranti was just another of the National Enterprise Board's 'lame ducks' should take a look at its results for 1975-76. In the months after the cash crisis which threw it into the hands of the Government, the company completed its most profitable year since at least 1970. The turnaround from a loss of over £300,000 the previous year to a profit of over £5m (on a turnover of £108m) was all the more creditable for the fact that it was hardly affected by the government's £15m cash injection. Several other non-recurring factors did play a part, but the important message for the future is that all the reflected considerable reorganisation, after cost control, and the impact of a new top management.

The regeneration of Ferranti is of widespread significance to industry, in view of the general management principles involved. It is classified into five points, which are headed by an issue which is crucial to the future of a country which is renowned for its bright ideas, and its inability to exploit many of them commercially: is it possible to combine the pursuit of high technology (Ferranti's specialty) with stable profitability (its weakest nerve)?

### Classic case

Second, it is a classic case of choice between divisionalisation and centralisation of a multi-product organisation. Third and closely allied is how to motivate middle management. Fourth, it exemplifies a perennial problem of small and medium-sized businesses — the position of a family-owned company to outside control and management. Fifth, it provides insight into relations between the National Enterprise Board and its subsidiaries.

Mr. Derek Alun-Jones, the 39-year-old former head of British Oil's £200m industrial products division, moved into the managing director's seat at Ferranti last December. He is out of his way to allay fears at the new management (and others) will change the company to such an extent that it will no longer lean strongly towards research and development. "In any major way, search and development is the product we sell," he declares.

But he does take issue with a notion that to work "at the interface of technology" (a favourite phrase of Sebastian Ferranti, previously managing director and now chairman), have to be unprofitable. Mr. Alun-Jones says Ferranti's traditional pride in its technology led to push profitability, and some cases even marketing, in positions of secondary importance. He also claims that many of its losses were in fact old technologies, such as a

promises a more rational approach to incentive schemes and the like.

Much of this decentralisation was under way before the arrival of Mr. Alun-Jones, but in the minds of his colleagues he has given it a greater overall direction and impetus, as well as adding certain aspects. One example is a revision in the method of capital applications, where everything used to come up to the centre; he has tightened the procedures where necessary, and decentralised

Except in the case of the finance director, the emphasis is on using Ferranti's existing personnel. With new motivation at the centre, Mr. Alun-Jones says it should only be necessary to change attitudes, not managers themselves.

In many a former family business, where the family retains a large shareholding, such changes in structure and approach could have caused up to the centre; he has tightened the procedures where necessary, and decentralised

cerned Ferranti's main "problem areas," particularly transformers and electronic components. With hindsight, it is now obvious that the power division should have been sold, or should have diversified several years ago, before running up £8.5m. of losses between 1970 and 1975. Similarly, Ferranti should have followed all its international semiconductor competitors into the Far East for the low-cost assembly of electronic components.

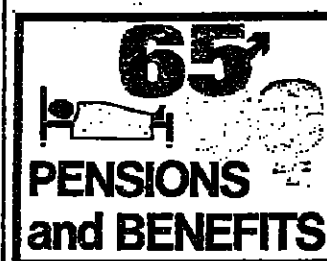
### Urgent search

After a series of redundancies, talk of selling the transformer business has given way to an urgent search for diversification opportunities, but it is clear that this cannot bring a quick end to the years of losses. Whether the components division can return quickly to the black depends partly on how long it takes to resolve the future of the 300-employee assembly plant at Barrow; negotiations about its closure are continuing.

Short-term steps have been taken in other parts of the company, such as the streamlining of product lines and the closure of one of the smaller factories in the instrumentation division. But medium-term changes are also needed, if the whole company is to achieve a proper return on capital. Mr. Alun-Jones is aiming for 20 per cent, the rate achieved already by several divisions. Apart from transformers, instrumentation (especially meters) and electronic components are the main ones on the agenda. Joint ventures are one of the options in components, and talks have been under way with Plessey for some time.

But the resources of some of the more successful divisions could also be exploited more fully. This applies not only to the NEB's Board, but also to computers, where Mr. Alun-Jones says that in future the company would develop two types side by side (this was the result of the previous separation of the military and civil parts of the division).

So long as the transformer division is a drain on the company's management and financial resources, Ferranti is bound to have a "lame duck" image, however undeserved it may be. Resolve that problem, and its enlarged "electronics" team regenerated management could remain to be seen. So far, turn it into one of the NEB's star performers.



## What will have to be disclosed

BY ERIC SHORT

THE GOVERNMENT'S thinking on member participation in pension schemes was given in a recent White Paper, and the matter, of vital importance to employers, has been discussed at great length. But it seems that the Government's view, in the White Paper on disclosure of information to members about their pension schemes, has passed unheeded. Yet, this also has considerable implications for employers.

Disclosure of information is just one important aspect of the whole problem of communications between the company and its employees. Yet until recently the matter has been sadly neglected, although the fault has not been entirely the employers'. Even now, not many employees are very enthusiastic to talk about the subject and trying to communicate can be an uphill climb.

There are two main areas of the communications problem for the employers to concentrate on at present. The first is the on-off task of explaining to employees the current relationship between the new state pension plan and the company pension scheme and to tell them what the company intends to do about pension provision. Regulations under the Social Security Pensions Act 1975 have put a legal obligation on employers to consult with employees and their trade union representatives.

### Well advised

If consultations are going to be meaningful, the employer would be well advised to start at square one in most cases and explain in general terms the 1975 Act before discussing the company's own position. And he will need to use simple language, not an easy task when the Act and its accompanying regulations are littered with technical terms such as "guaranteed minimum pension".

Communications is a task for professionals — the employer is not likely to achieve much by sending the personnel director or manager round the branches unless that person has been specially trained. The larger pension consultants, the consulting actuaries and the life companies have now entered the pensions communication field in a big way and are giving a lot of thought to the problem. Some firms have even engaged professional com-

munications consultants to advise on the problem.

The system the consultants generally use is to talk to the workforce at their place of work, using visual aids to explain the position, and then to deal with individual queries. This is followed up by explanatory booklets designed to allow each member to ascertain his own position in the pension scheme.

The implications for employers in the Government's plans for disclosure of information to members of pension schemes are considerable. Yet little notice has been taken of this

his benefits entitlement and the contribution position.

The consultants have adopted a very flexible approach to these meetings: what is suitable for one company could well be inappropriate for another company. Employers would do well to make maximum use of the services of their pension consultants.

The second main area in communications is the ongoing one of telling members about the scheme. This can be subdivided into two functions: one to provide each year a benefit statement to each member, the other to publish an annual report and accounts of the pension scheme — similar to the company's annual report. It is this second area which the White Paper has dealt with and intends to back up with legislation.

The Government's intention is that members should receive benefit statements automatically and it proposes to specify the form of such statements. But it is questionable whether they should be sent automatically since an employee aged 30 is not likely to be interested in a series of payments starting in 35 years' time. It might be better to give members the right to be provided with a benefit statement if requested.

At the same time, it should be left to the company to decide how it presents the statement and the Government should lay down only minimum requirements, if that. Some companies are discussing with employees when the market falls.

and unions the best means of providing benefit information and the Government could encourage such talks rather than impose its ideas on schemes.

The Government is also very concerned that pension scheme members should be kept fully informed of the financial state of the underlying funds and even receive a general statement of investment policy. It even says that actuarial reports should be available to members on request.

The actuary has to investigate the financial position of the fund and determine whether the value of the assets exceeds the present value of liabilities. Hence, his report on the solvency of the fund must by nature be technical. On the other hand, the member is really concerned with whether the fund is solvent or not. If it is not solvent, then the Occupational Pensions Board is going to be very interested in the actuary's report and will be taking action. So there will be little that the member can do.

### Problem

The problem will lie in presenting the financial picture of the pension fund. If it takes the same form of a highly informative company report, then only investment analysts will be able to interpret the accounts. On the other hand the information should be available to experts acting for the members' trade unions.

The answer is for an individual company to act with its advisers to find out which form suits its own employees — and consultants now undertake this task. Possibly a one-page summary is all that most members would require, but unions and staff associations could be given more detail in book form. The problem is likely to arise in describing investment performance, especially in times of a bear market.

Assets should never be considered in isolation from the liabilities of a pension scheme. But the actuary usually reports every three years except in the case of the very large funds. The consultants are still giving a lot of thought to the question of how to present fund performance which will not have members clamouring for the investment manager to be sacked when the market falls.



Mr. Derek Alun-Jones, managing director of Ferranti (left), and a view of the company's command and control terminal in use at the Glasgow Police control room.



was difficult for them to be represented in the boardroom without a financial director, or at least a managing director with a strong financial background (Mr. Alun-Jones' experience qualifies him for this role, though he expects to appoint a finance director in the next few months).

Until about three years ago, the company was structured on a departmental basis. At one stage 21 of them were reporting direct to Sebastian de Ferranti, embracing an extremely wide range of products: computers, household electricity meters, inertial navigation systems, power transformers, weapons fuses and microelectronic circuits. Accounting, industrial relations, maintenance (which employed 600 people) and even part of sales, were all centralised.

The only major exceptions to this pattern were the Scottish factories, which were all largely devoted to the same market of military avionics and which have been managed as a relatively separate unit for many years.

Starting in 1970, there was a gradual shift towards divisionalisation, culminating last year in the merger of the three computer-based groups into one group; there are now six divisions in the company as a whole. But it was only a few months before the 1974 crisis that many of the key functions began to be shifted from the centre to the field. The transfer of maintenance to the divisions has already cut some overheads by 25 per cent, while the increased divisional responsibility for industrial relations

elsewhere. He has also decided to decentralise debtors and creditors, which might not have happened under the original, halting approach to decentralisation.

"The whole theme has been to transfer costs to the divisions," he says, in order to make the divisional managers — each one of whom now has a financial controller — very much more aware of the overheads (and the need to reduce them). This marks an end of the era when costs were simply shared out to the departments or divisions.

Intimately linked with the lack of proper decentralisation in the past was an inadequate planning and reporting structure. Mr. Alun-Jones says proper monthly reports were not generally made, still less a formal five-year or even one-year plan, against which divisional and corporate performance could be judged. He has formalised, and extended the monthly reports, and also receives weekly reports on the cash flow position. The company's forward planning will fit into the NEB pattern of five-year plans being produced each February, with a rolling five-year strategy going forward each October.

Another innovation by Mr. Alun-Jones is the executive committee, consisting of the five U.K. divisional managing directors in addition to Mr. Alun-Jones, the technical director and the company secretary, and to which the finance director will be added. This means monthly, a week before the Board meeting, as a strong central organ to oversee the divisions.

### BUSINESS PROBLEMS BY OUR LEGAL STAFF

#### Commodity deals tax

Referring to your reply of May 19 under the heading Commodity Deal Tax, surely if one is regarded as "trading" then this activity must be taxed as earned income. How, therefore, as suggested in your reply, can the profit derived from trading be taxable as investment income? British tax legislation is rarely simple and sometimes appears to be based on a perverse logic. You may recall the answer published in the Finance and Family column on November 1 last year under the heading "Three classes of income," in which it was explained that income may fall within the definition of earned income set out in section 530 of the Income and Corporation Taxes Act 1970 or within the definition of investment income set out in section 32(3) of the Finance Act 1971, or may be excluded from both definitions. The profit from an isolated adventure in the nature of trade (such as that mentioned in the question to which you refer) may well fall to satisfy the definition of earned income and therefore fall within the definition of investment income, in the absence of specific exclusion from that second definition.

#### Cancelling a winding-up

If a private company has applied for members' voluntary liquidation, can the application be cancelled?

An application would have to be made to the court to stay the winding-up. It might be simpler to complete the winding-up and to form a new company.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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Bordeaux has recovered from the scandal of adulterated wine, but Rupert Cornwell finds that the structural problems remain

# Why old claret will need new bottles

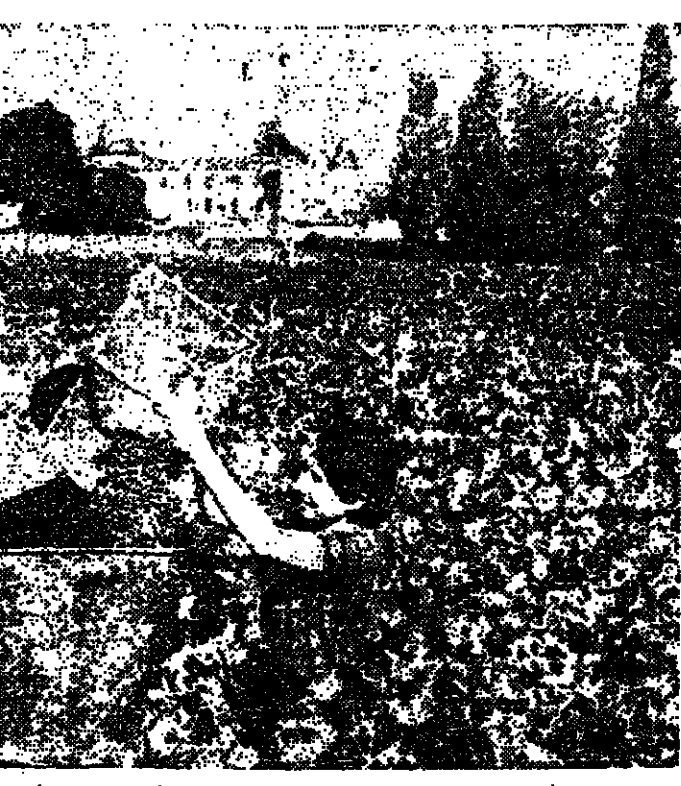
IS A quiet month in negociants who bought, aged, and sold it, is crumbling. In the summer heat, the trade's eyes are fixed on the coming vintage, made or broken by weather from August onwards, and whose excellence it can have a drastic on prices for previous years.

The atmosphere is not as tense as it was in the summer of 1977, when the Medoc basked in the summer heat. The harvest has already made its mark on the vintage, and the weather will be crucial in determining the quality of the wine. The negociants are already looking at the 1978 vintage, and the weather will be crucial in determining the quality of the wine.

For the moment, the negociants are looking at the 1978 vintage, and the weather will be crucial in determining the quality of the wine. The negociants are already looking at the 1978 vintage, and the weather will be crucial in determining the quality of the wine.

financial state of the trade is dreadful. The houses that dabbled in 1971 and 1973 and themselves paying high interest rates on stocks lying unused in their cellars, worth a third of what they paid for them. Illusions have been lost, and an elite brought to its knees. True, prices have picked up with the high quality 1975 vintage. True, sales are rising again, as the foreign buyers return (especially those who held off in the cold-rush) and can buy more cheaply dumped wine. True, in France, where two thirds of the Bordeaux wine is sold, sales are at a seven year high.

But this may be insufficient to save many a negociant. Staff are being laid off and the air is thick with pessimism and worry. Some foreigners are withdrawing—such as Bass Charrington which wants to get rid of its trading subsidiary, Lichine. And Bass, which also owns the second classed Margaux chateau of Lascombes, is precisely one of those multi-nationals everyone thought could and would ride out the storm. In the general shake-out a number of chateaux themselves are reportedly for sale as well.



Harvesting grapes in the claret country.

economic groupings, to tackle the structural problems of the wine industry, and sort out the jungle of appellations and chateaux which simply aren't chateaux except on the bottle labels. These may not be issues worthy to be set alongside the respective merits of a 1955 or 1981 but they go to the heart of Bordeaux. Into this complex situation has stepped the long ineffectual wine trade body, the CIVB (Comité interprofessionnel des vins de Bordeaux), with sweeping proposals of its own.

Led by a new president, M. Jean-Paul Jaffret (brother of the tennis star François), the CIVB is on the move. The growers who left it in disgust at the 1974 price collapse are back, and the committee, helped by fresh minds and professional public relations support, plans to use the uncertainty to establish itself anew. Representing both negociants and growers, it failed to prevent the upheavals of 1970/74. It has a scheme to eradicate such fluctuations, centred on a buffer stock whereby wine would be taken off the market when prices fall, and pushed onto it when demand rose unduly.

## Wreckage

From the peak of Frs.4,000 (about £475) for a 96-bottle bottle case the price fell to near Frs.1,000. Everyone was hurt, the consumer by the rocketing prices which, as it were, came down much more slowly than they went up, the grower who after a brief spell as Midas found prices quickly back below his break-even point of Frs.1,700. But no one suffered a greater blow to pride and pocket than the negociant. "The unbelievable spread of Bordeaux," one of them laments to-day surveying the wreckage.

kept out of the market in the giddy years, and perhaps to the growers themselves. M. Ginestet likens the Bordeaux wine market to an inverted pyramid. For the outside world Bordeaux means classed chateaux, but these only account for a small proportion of the overall 5m. hectolitres produced each year, half red and half white. The most celebrated appellations, Medoc, Graves, and Saint-Emilion, for example, between them produce only 380,000 hectolitres of a total A.C. red output of some 2m. hectolitres. Yet it is they, and above all the 157 classed growths they contain, that set the trends. The chateaux, the

## Intervention

The aim is to keep prices in a spread of Frs.2,000 to Frs.2,400 per cask, nudging the hand higher to keep in line with rising overheads. The difficulty though is to finance the intervention wine, which would be "borrowed" from growers in return for a 12 per cent bonus. M. Jaffret also intends to modernise the cobwebbed regulations surrounding Bordeaux wines, and persuade the Government to help the re-organisation of both sides of the industry.

## Letters to the Editor

### e European

correct the views expressed, which in my opinion are mistaken.

In introducing greater professionalism into the credit control process the factor is working to reduce the average period of credit taken and protect the debtor item. Why does Mr. Darg state a factor is not to be (necessary) when overdue debts are eventually subject to statutory interest after, say, 30 days? I can only assume he believes factoring is "necessary" where debtors of a client take too long to pay their bills. This is manifestly incorrect. Many clients take little or no payment against debts prior to settlement. They are paying for the factoring service, an sure this is true for other major factoring houses in the U.K. Second, how could the factoring industry in America have grown to an annual rate approaching \$20bn. in a situation where major debtors generally pay much more quickly than in the U.K.?

used to "pay cash on the nail," however, the problems never arose. In a sense the creation of our present methods of doing business is its own curse.

Until we can get dialogue started between the interested organisation in respect of overdue debts with a view to a drastic reduction in the ratio of creditors to debtors we shall stagnate production-wise and inflate money-wise. That is why the Law Commission's Working Paper No. 66 is so important with its recommendations to adopt statutory interest charges after an account has not been paid for, say, 30 days. That is why, as Mr. Darg says, the professional organisation representing all management disciplines should get together and grasp the nettle. For heaven's sake, let's get the money moving.

The Institution of Buyers, Concorde House, 24 Warwick Road, Royal Leamington Spa, CV32 5JH.

Wimbledon in decline

From Mr. P. Easton.

Sir—Your Wimbledon tennis round-up (July 5) offered the tropical weather as the reason for the drop in the number of spectators. Personally I believe it is largely due to declining standards, which mean that for many, Wimbledon is no longer the unique occasion it used to be.

Male spectators, slumping cans of beer, slouch around naked to the waist or at best in sweaty vests; the odour of the cheaper and nastier kind of hamburger has replaced the aroma of strawberries and the powergame of so many of the athletes (alias tennis players) results in "strangely lacklustre matches," as your correspondent so rightly describes them. The only bright spot was the refusal of the Wimbledon committee to give to the ridiculous demand of a handful of the professional (and largely American) women players for "equal" pay.

Let's hope the organizers will do something to arrest the downward slide in other directions, too.

P.R. Easton, 122 Somerset Road, London, S.W.19.

Tangled in the Isles

From the President, Scottish Housewives' Association.

Sir—In his droll attempt to portray the tangle of measuring units A. D. Denton (July 3) proves, namely, that metric units foisted on the domestic markets of this country would but serve to further confuse and harass the public.

## To-day's Events

GENERAL National Economic Development Council meets under chairmanship of Prime Minister to consider Government's industrial strategy.

PARLIAMENTARY BUSINESS House of Commons: End of two-day debate on pay and prices.

Commons Select Committees: Nationalised Industries (Sub-Committee B). Subject: British Steel Corporation. Witnesses: TUC Steel Committee. Expenditure (Environment Sub-Committee). Subject: Planning Procedures. Witnesses: British Property Federation, Committee on Unopposed Private Bills: Foyle and Londonderry College Bill (Lords) and Yorkshire Water Authority (River Derwent) Bill (Lords).

House of Lords: Education Bill.

E.C. 11.30. Heath (C.E.). 14.30 St. Mary Axe. E.C. 12. James (Maurice), Coventry, 3. London Trust. 44 Bloomsbury Square, W.C. 12. Marks and Spencer, Dorchester Hotel, W. 12. Sainsbury (J.), Connaught Rooms, W.C. 12. Scottish Heritage Trust, Glasgow, 12. Shellharbour Price, Veybridge, 12. Teacher (Distillers), Glasgow, 11.30. Whiteley (B.S. & W.), Otley, West Yorks, 11.

MUSIC Nicholas Jackson (organ/harp/psaltery) gives Bach recital, St. Lawrence Jewry next Guildhall, E.C.2. 1 p.m.

SPORT Golf: Open championship, Birkdale.

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### verted to Birmingham

r. A. Scott.

I read in your feature Birmingham (July 5) that the National Exhibition Centre M. Forman, to have a respite during the holiday months of July and August.

It seems to be a grand opportunity to diversify traffic and the road traffic generates from London to Birmingham. At the time is ample space for cars, coaches and hire cars, air and motorway connections to many points, and hotels for weary and early departures, a major tourist Mecca.

But when the new arrival building is ready, it will be an ideal uncongested area where tourists could be accommodated. With continual occupancy the hotels would operate efficiently.

Richmond Road, Ford, Essex.

## Get the money moving

From the Director-General, The Institution of Buyers.

Sir—How right your correspondent M. A. Darg is regarding overdue debts and inflation (July 1).

Any act of business which, in effect, gives rise to a loss of buying power is bad in itself. If that loss is compounded by the necessity of borrowing money (at high interest rates) in order to try to restore some degree of that buying power, it is worse.

Both Mr. Darg and Mr. Forman (June 23) must be well aware that practically every company which buys also sells. If it cannot borrow more money, it will, in fact, Peter and Paul, the credit terms with other suppliers. My institution is only too well aware that this is happening and knows of many members whose companies use factoring as a means of ensuring better liquidity. When people

### ctoring and dit control

ie Managing Director, H Factors.

Mr. Darg's letter (July 1) on many questions regarding factoring is hard to know to begin. I will try to



# COMPANY NEWS + COMMENT

## Sharp rise for Trident TV in first half

TAXABLE profit of Trident Television more than doubled from £1.13m. to £2.35m. in the six months ended March 31, 1976. For the previous year the figure was £0.28m. less at £2.05m. after deducting an Exchange Levy of £2.85m.

The new chairman, Mr. G. E. Ward Thomas, reports that the increase in television advertising revenue which began last autumn shows every sign of continuing for the remainder of the current year — he anticipates that the first half advance will be maintained for the second half and dividend total will be the maximum allowed.

The net interim payment is raised from 0.44p to 0.70p per 10p share — last year's total was 2.11p.

Operating costs have been effectively controlled and contained below the present rate of inflation, and contributed to the improved results.

A strong revenue position is enabling more money to be devoted to programme expenditure, says the chairman. Yorkshire Television and Tyne Tees Television have increased the number of programmes for the national network.

Mr. Thomas says that the non-television activities continued to develop with growth in Watta and Corry and the Scarborough Leisure Park.

Of the Australian subsidiary, he reports healthy growth in television rentals but the economic uncertainties have resulted in disappointing retail sales and that the company would see an overall loss there for the year. It had recently moved into a situation "in which it is breaking even on a day to day basis" and he confirms that Australia will make a "worthwhile contribution to Trident profit in 1977."

**£0.62m. profit for Pergamon Press**

Pergamon Press, a private company controlled by the family interest of chairman Mr. Robert Maxwell, since February 1974, reports a pre-tax profit of £810,000 for 1975 compared with £248,000 for the 15 months to December 31, 1974, on turnover of £29.3m. (£29.8m.).

There is no tax charge this year — the company has £1m. of U.K. tax losses to carry forward — and the accumulated deficit has been reduced to £32m.

No dividend is proposed and earnings per share are given as 4.5p against 3.4p for the previous accounting period.

Unaudited management accounts for the first five months trading show a profit of £750,000 and Mr. Maxwell expects profits this year to be in excess of £1.5m., about a quarter of which may be due to foreign currency gains following a switch to dollar invoicing — exports in 1975 amounted to £6.3m.

The accounts show that

### HIGHLIGHTS

Lex devotes the bulk of its column to the Department of Trade report on Lomax. Elsewhere, first-half profits at Trident are well up thanks to the strength in TV Contracting and a good year is forecast. The annual report from 600 Group shows the group to be making good progress with recovery on the steel and scrap side. A recovery at Macpherson, this time in margins, has led to a substantial increase in first-half profits but at Gough Cooper there is a 21 per cent. pre-tax shortfall although the second half should see an increase in volume sales thanks to a bigger move into contract house building. Bristol Evening Post cheered the market with a strong second-half recovery reflecting higher cover charges and advertising rates while Braby Leslie is raising £0.9m. by way of a rights issue on the back of a 42 per cent. jump in profits.

Maxwell Scientific International (Distribution Services), in which Mr. Maxwell has an interest, is providing Pergamon with Mr. Maxwell's services for an annual fee of £100,000 for a period of 14 years.

Pergamon had cash balances of £1.3m. at December 31, since the year-end it has paid £310,000 towards the outstanding liability of £281,150 owed to Robert Buckley, chairman and managing director.

Lamont is believed to have lost about £100,000. In IGMI acting from investments made between December 1975 to March of this year, provision for which has been made in the group's last accounts.

The statement, issued yesterday, goes on to say that "in view of the emergence of certain facts in relation to the management of IGMI and certain associated companies, Lamont has been advised that it should seek an enquiry by the Department."

London and European Securities, which Mr. Buckley also left in May after a six-month stay as director, also suffered at the hands of IGMI. Mr. John Gallacher, managing director of L and E, confirmed yesterday that "a material proportion of its £200,000 investment losses, which were announced at the annual meeting in May, could be attributed to its stake in IGMI."

At the time, L and E said that certain investments made at Mr. Buckley's recommendation "have proved unsatisfactory." IGMI itself is now being run by L and E but the details of its problem investments in public and unquoted concerns are as yet unclear, although they are thought to include companies associated with Mr. Buckley.

Mr. Buckley refused to comment on "Lamont's" statement or the affairs of IGMI last night.

**New product costs hit Copydex**

AFTER a marginal increase from £146,956 to £147,757 in the first half, profits of adhesives manufacturer Copydex fell from £320,344 to £187,790 in 1975 subject to tax of £92,463 compared with £270,622.

The directors say that the major part of the reduction, aggregating to at least £100,000 written off to revenue; arose from promotional and development expenditure.

The final dividend is 1.384p net per 10p share, lifting the total from 1.945p to the maximum permitted 2.004p.

Mr. S. D. Elk and various interests of his family have

agreed to waive their rights to the proposed final of 1.755,683 shares.

## Upsurge at Donald Macpherson

The "significantly higher" profit anticipated by Donald Macpherson Group for the six months ended April 23, 1976, turns out to be £1.1m. before tax compared with £0.44m. for the corresponding period and £1.5m. for the last full year.

Chairman Mr. E. Chester says that in the second half performance in the U.K. is expected to reflect improving demand for industrial coatings and lower decorative shipments. Overseas, the upswing is expected to continue in all markets.

For the six months basic earnings per 25p share advanced from 1.79p to 3.99p and fully diluted from 1.79p to 3.79p. The interim dividend is stepped up from 0.78p to 0.88p net. The total payment for the last full year was 2.145p.

In the U.K. volume overall for the half-year was ahead of previous year figures, reflecting in particular excellent demand for Cover Plus products in the real DIY sector.

Overseas, where economic recovery is generally already firmly established, volume growth was achieved in all markets.

In spite of pressure from continuing increases in raw materials and other costs, trading margins improved markedly and after lower interest charges, pre-tax margins advanced from 2.5 per cent to 6.1 per cent.

**comment**

The good first-half performance by Donald Macpherson (profits up 156 per cent. on a 24 per cent. rise in turnover), is due to recovery in margins and strong volume growth in decorative paints.

Aggressive promotion as well as advertising by Woodcock (which accounts for about a quarter of sales in this sector) helped increase market share from around the 8 per cent. level of the last five years to 15 per cent. This improved volume as more stable materials and labour costs boosted margins.

The better trade is continuing in the second half, which should also see a boost from the recovery in the industrial sector after dropping continuously for three years.

Meanwhile there is strong underlying growth overseas, which brings in about a quarter of profits. So the full year represents profits of just under £1m. for a fully diluted prospective p/e of 5.5 at 58p and maximum yield of 5.5 per cent — hardly a premium target for the current leader of the pack.



Mr. G. E. Ward Thomas, chairman of Trident Television.

## DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corresponding	Total last year
Bristol Evening Post	3.44	Aug 12	2.97	5.19
Copydex	1.38	Sept 10	1.45	2.03
Daresport Knitwear	2.57	Sept 10	2.34	2.57
Gough Cooper	1.95	Aug 23	1.95	—
Glass Glover	0.22	Oct 1	0.2	—
Hammond Hides	0.88	Sept 2	0.78	—
Macpherson	0.88	Oct 6	1.73	3.35
Tex Abrasives	2.06	Sept 15	2.06	2.71
Trident TV	0.71	—	0.84	1.98
R. Kelvin Watson	1.08	Aug 13	1.58	2.5
Waterhouse Trust	1.6	—	0.94	1.98
F. Wrighton and Sons	1.08	—	0.98	0.89

Dividends shown pence per share except where otherwise stated. \* Equivalent after allowing for scrip issues. (a) Gross throughout. Increased by rights and/or acquisition issues.

## Recovery at Hammond Holdings

DUBLIN-BASED co-founders and machinery merchants Hammond Holdings reports a second-half recovery in pre-tax profits with £408,000 against £418,000 for the year to March 31, 1976, after a fall from £250,000 to £134,000 in the first half.

After tax down from £175,000 to £135,000 full-year earnings are shown to have risen from 8.9p to 7p per 25p share and the dividend is lifted from 3.75p to 4p gross with a final of 2.5p.

## Monks Trust policy

The investment policy at Monks Trust is still to maintain an even balance between income and capital appreciation, states the chairman, Mr. M. Hamilton.

To achieve capital appreciation it is necessary to invest in companies with growth prospects and these — particularly overseas companies — may have very low dividend yields, he tells members.

To this extent current earnings are sacrificed to capital appreciation, but the directors believe that this is the best long-term interest of shareholders.

It looks at present as if income in the current year will be higher, says Mr. Hamilton. The factors which helped last year's results, particularly the increase in holdings of British Government Securities, will be of continuing benefit.

As reported on May 27, gross income slipped from £1.97m. to £1.84m. in the year to April 30, 1976, but pre-tax revenue rose from £1.48m. to £1.58m. after lower interest charges. The dividend is 1.15p (1.07p net).

In recent months the directors have become increasingly concerned at the high level of the investment currency premium, which has led to a representation nearly 20 per cent. of funds.

They still think it right to maintain the large position in overseas markets and that this should be held primarily through premium currency, but they have made a moderate shift towards an increased use of loans in financing the position. They have been selling some investment currency and replacing the amount sold with borrowings, which have so far been on a temporary basis, but it is intended to convert them in due course to a more permanent form.

The proceeds of the currency sold have been placed on deposit in the U.K. and this has more than offset the increase in interest costs.

Meeting, Salisbury House, EC, on July 28, at 10.30 a.m.

## MK Electric

PROGRESS FOR MK ELECTRIC The chairman of MK Electric Holdings, Mr. D. L. Robertson, believes that continuing progress can be looked forward to in the coming year.

With the benefits of accelerating product development and always seeking more efficient manufacturing methods, a further improvement in group prosperity is anticipated, he tells members. The health and strength of the group have not been better in recent years, he adds.

As reported on June 24, turnover rose from £21.50m. to £23.31m. in the year to March 27, 1976. Pre-tax profits jumped from £0.88m. to £2.17m. and the dividend is 4.72p (2p) net. Results for the year, based on

## Gough Cooper sees improvement

ON REDUCED turnover of £8.48m. compared with £7.48m. pre-tax profits of Gough Cooper and Company fell from £1.08m. to £0.88m. in the six months to March 31, 1976, but the chairman, Mr. John Robertson, says that results for the year should be similar to those of 1974-75 when profits were £1.54m.

The company has a full order book he tells members and is well placed for work in the immediate future.

The interim dividend is held at 1.95p net per 20p share and in the absence of unforeseen circumstances the total will be maintained at 5.2p.

Housebuilding figures reflect the level of turnover, says Mr. Robertson, and they are beginning to improve as turnover in this sector increases. Turnover on contract housing, both negotiated and competitive, for the year 1976-77 should exceed £1m., he reports and the company is also increasing production of private housing sites where the prospects appear to be more encouraging.

Certain parcels of land were sold in the half-year but prime sites are being retained to ensure continuity of the private housing programme.

Plant hire figures reflect the position in that industry. The recent addition to the group, G. C. Power Tools, which operates on a much smaller scale, is now meeting its budgets.

Further leases have been obtained for use on the Dartford Industrial Trading Estate, and the group is beginning to gain the benefits of recent rent reviews.

The company has a 50 per cent. interest in a Belgian property company which owns an office block in Brussels. Lettings of the premises have been slow, although some progress has recently been made. The losses mostly relate to the writing off of interest arising from the financing of the project.

**comment**

After its 21 1/2 per cent. profits fall in the first half, Gough Cooper saw improvement in the second with an increase in volume

## ISSUE NEWS

This week's issue of local Preference Stock 1981 at 11p at par for the fourth week running. This week's issue are:

The issue are: Borough of Ipswich (£1m.), Preston Borough Council (£1m.), City of Southampton (£1m.), Birmingham District Council (£1m.), City of Glasgow District Council (£1m.), Receiver for the Metropolitan Police District (£1m.), Allerdale District Council (£1m.), London Borough of Barking (£1m.), London Borough of Bexley (£1m.), London Borough of Camden (£1m.), Grampian Regional Council (£1m.), London Borough of Hammersmith (£1m.), London Borough of Hillingdon (£1m.), Trafford Borough Council (£1m.), South Yorkshire County Council (£1m.), Tunbridge Wells Borough Council (£1m.), Walsley District Council (£1m.), Bradford Metropolitan District Council (£1m.), Sedgemoor District Council (£1m.), Wokingham Borough Council (£1m.), East Hampshire District Council (£1m.), and Ipswich Borough Council (£1m.).

Dealing will start on Brokers to the last Seymour Pierce and Co

**King & Shax**

THE NEW THROGMOR TRUST LTD.

**MID-KENT SUCCESS**

Mid Kent Water Company's offer for sale by tender of £3m.

Whilst the other trading companies in the G with one exception, show some decline in their profitability, this was very much in line with the national trend of reduced unit sales and greatly increased costs and expenses. It is particularly encouraging, therefore, to report that Unit Sportsware Ltd., made significant progress in 1975 and enjoyed their best trading results since being acquired by the Group in 1967. The most vigorous efforts will be made to effect further expansion in Sportsware activities where we see a substantial growth potential.

I believe that expansion in Group export sales top priority and considerable research and new marketing skills are being brought to bear to obtain this objective. Opportunities are being sought not only to increase our share of the markets we are present but also to add to our trading network by opening new areas in which the Group can benefit. I cannot, in view of the present state of the economy, be over optimistic about the 1976 prospects. I am confident, however, that the long term outlook for the Group is excellent, as all our subsidiary companies enjoy very high reputations in the Trading Areas in which they operate.

In addition, we possess one priceless asset in management — a blend of experience, youthful vigour and enthusiasm and with the resources at disposal, I am sure that we are equipped to take full advantage of the opportunities which will, I hope before long, present themselves.

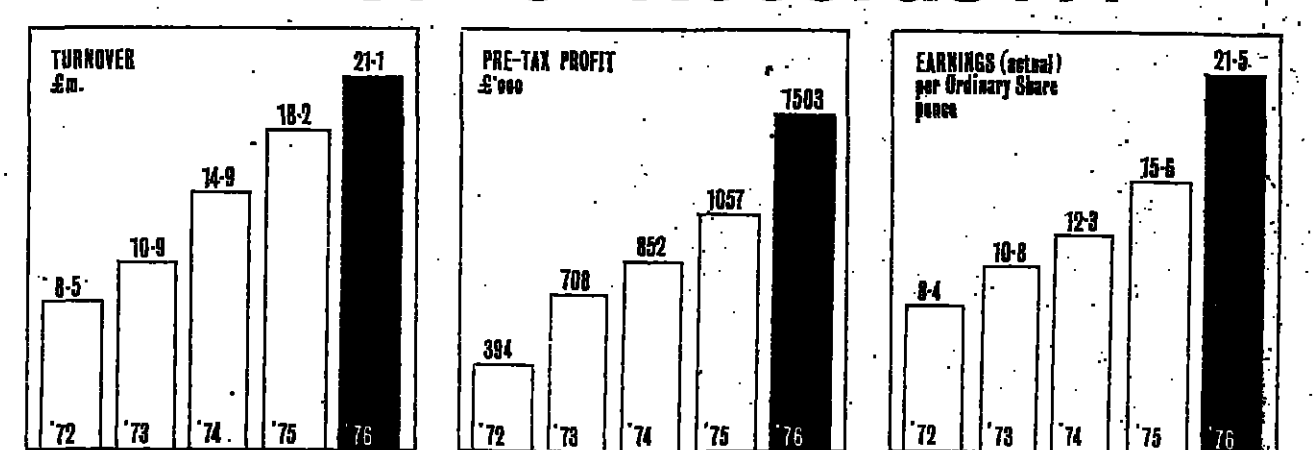
**Group Companies:** Henry Benneman (Holdings) Wm. Chapman Ltd.; Glen Fabrics Harrow Fabrics (Int.) Ltd.; Macaseta Sparrow; Hardwick Co. Ltd. Susy Ware & Co. Ltd.; Uwin Sportsware

**WILLIAM PICKLES & CO. LTD.** 101 Portland Street, Manchester M60

## Braby Leslie Limited

(Mechanical and Civil Engineers)

## A Year of Records...



## ...and Export Growth Continues

Profits before tax for the year ended 31st March, 1976, have increased by 42% from £1,057,000 to £1,503,000.

A final dividend of 1.8366p net per share is proposed, making a total payment for the year of 3.0866p compared with 2.8284p the previous year.

Both Divisions of the Group contributed to this improvement: in the Mechanical Engineering Division, Auto Diesels Braby Limited, manufacturers of diesel generating sets, was particularly successful in export markets, while the results of the Civil Engineering Division benefited from higher deliveries by Tam's Loup Quarries Limited for local developments, including some related to the oil industry.

There is a growing demand for the products of the Mechanical Engineering Division, which accounts for over 70% of Group turnover and profits. The work load of the Civil Engineering Division is satisfactory in Scotland, but remains low elsewhere. Overall there has been an encouraging increase in the level of activity during the first two months of the current year, although economic uncertainties make it impracticable to forecast results for the whole year.

**1 for 3 Rights Issue Proposed**

A programme of modernisation and capital investment totalling some £1,250,000 is planned over the next three years, which includes the improvement of the steel drum production line in Liverpool and the re-equipment of the metal fabrication plant in Bristol and of the handling facilities for generator production in Uxbridge. In addition, it is considered desirable to increase the Company's equity base to assist in financing the growth in turnover and adequate stock levels at a time of rising raw material prices.

The Company's Report and Accounts will be posted to shareholders on 14th July, 1976. Copies can be obtained from The Secretary, Braby Leslie Limited, Cowley Mill Road, Uxbridge, Middlesex, UB8 2QG.



Eric Izod, Chairman









# Tunnel reports:



## "A difficult but momentous year"



**TUNNEL HOLDINGS LIMITED**

هكذا صمغ الفضل



# REDIFFUSION



## Australian accountants work on the problem

up more in the red than in the black, is being offered S\$85m.

The funds, according to Far Eastern, are urgently required to help finance the purchase of four logging vessels. This follows the company's decision to pull out of hotels altogether and move into shipping activities.

In the same week as the Hilton announcement, the uncompleted 600-room Tanglin Hotel, after years' indecision by its owners, was sold to a leading local hotelier Mr. Khoo Teck Pau, chairman of Singapore's biggest hotel chain, the Goodwood group, for an undisclosed sum.

This is the second time the Tanglin Hotel has changed hands. It was first planned in 1968, at the height of the hotel room shortage, but construction work stopped in 1971 following a change in ownership.

Construction was only resumed in November last year and by the time it is completed next year, it will cost a total of S\$85m. (\$8m.).

Other hotels which changed hands or were put up for sale over the past months include the Singapore Hyatt, Orchard Imperial Hotel, Hotel Summit and Orchid Inn.

The 334-room Singapore Hyatt, Singapore's biggest hotel in terms

The chairman and managing director of Far Eastern Hotels, Mr. Cho Jock Kim, has been charged in a magistrate's court with criminal breach of trust involving S\$2m. (\$0.45m.) worth of July 28, 1974 and March 30 this year.

Mr. Cho, a Malaysian, was charged with conspiring with Mr. Amos William Dawe and persons unknown in disposing the company's property. Mr. Dawe is the founder and former chairman of the Moshert group, a widely diversified company with interests mainly in Singapore, Malaysia, Hong Kong and Australia.

He was ousted from the group early this year when Moshert fell into serious financial trouble and its principal bankers, Moscow Narodny Bank, withdrew all financial support.

Far Eastern was suspended, by the Stock Exchange of Singapore in January this year when the company failed to reply to the SEE's queries on certain property transactions.

Singapore to 1.33m., which placed the republic ahead of Hong Kong as the leading tourist centre in South East Asia, has failed to generate the occupancy rate which many hotels required just to break even; and to add to their woes, the operating breakeven point has risen on a continuously steep climb.

As one local hotelier puts it: "Five years ago, depending on its size, a hotel could break even with an occupancy rate between 40 to 45 per cent. Today, it needs 70 to 75 per cent. to do so."

Implementation of the standards already by which standards are being set the world.

Attempts by hoteliers concessions on tax utility rates from the ment have so far fallen ears.

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rooms, was acquired recently by the Goodwood group. In the case of the 123-room Orchid Inn, one local property company was involved and to have sold it to another.

The dismal state of the industry is corroborated by other statistics. Of the 13 Singapore hotel companies listed on the Singapore Stock Exchange, six companies reported losses last year and, of these, three never saw any profit since opening their doors for business.

Even among those which managed to stay in the black, profits in most cases were mar-

Implementation of the

1st July 1976

Ray McElderry 4c 1967	144	136	PHILADELPHIA National Bank	National, taking total share
Kirshstein Elec. 7c 1991	145	137	has accepted minority holding	capital from Kr.10m. to Kr.21m.
W. H. H. 7c 1967	146	138	in the small Danish bank.	The bank's balance-sheet total at
P. Morgan 4c 1967	147	139		the end of June was Kr.153m
Johnson 5c 1967	148	140	R. Henriques Bank, Henriques	Philadelphia's step is an innova-
W. H. H. 4c 1967	149	141	Bank, which was established in	tion for Danish banking. It is
C. Penny 4c 1967	150	142	1906, has close relations with the	the first time a Danish bank
W. H. H. 4c 1967	151	143	stockholders, among them R. Hen-	has chosen this method of enter-
W. H. H. 4c 1967	152	144	riques Jr., a member of the	ing the Danish market, although
C. Penny 4c 1967	153	145	Danish bank consortium which	since foreign banks were allowed
W. H. H. 4c 1967	154	146	arranges foreign loans for Den-	to set up here in 1974, several
C. Penny 4c 1967	155	147	mark.	banks have been established. The
W. H. H. 4c 1967	156	148	Danish bank has made a	standard and Chartered, have opened
C. Penny 4c 1967	157	149	special share issue of Kr.2m.	branches in Copenhagen,
W. H. H. 4c 1967	158	150	(£180,000) to Philadelphia	
C. Penny 4c 1967	159	151		
W. H. H. 4c 1967	160	152		
C. Penny 4c 1967	161	153		
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W. H. H. 4c 1967	224	216		
C. Penny 4c 1967	225	217		
W. H. H.				

**ANSETT TRANSPORT** Industries said it purchased a 50 per cent. stake in Biro Bic and Gollin from Gollin Holdings for an undisclosed sum, Reuter reports from Melbourne.

Biro Bic of the U.K. holds the remaining 50 per cent. interest in the company which makes pens, disposable cigarette lighters and razor blades.

up more in the red than in the black, is being offered S\$53m. (18m.).

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# FINANCIAL TIMES REPORT

Wednesday July 7 1976

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A. N. Brockman  
ature Correspondent

NEW Merseyside head-  
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part of the nineteenth  
y first chose the style in  
it was to design and then  
the user into the mould.  
exterior appearance of a  
ng and its relation to or  
ice upon, its immediate  
nment is, I submit, of  
importance to the com-  
ce of its inmates.  
building, steel framed  
with concrete, floors,  
up in receding masses

aced with greyish-brown con-  
crete panels. The panels con-  
sist of a vertically ribbed coarse  
gravel aggregate which, after  
three years in position, has  
weathered consistently. Window  
openings are surprisingly few,  
forming an irregular and in-  
teresting vertical counterpoint  
across the several faces of the  
edifice.  
The design contrasts de-  
cidedly with the adjoining tower  
of the Liverpool Daily Post, but  
surprisingly seems to possess  
some slight affinity with the  
nearby monumental Liver build-  
ing and the great ventilation  
tower of the Mersey Tunnel; the  
Liver building dates from the  
early part of this century and  
the ventilation tower from 1935.  
Massing is most effective and,  
although apparently fortuitously  
irregular, falls into a definite  
symmetry in its upper parts  
when viewed from the land-  
ward.

## Quality

The 1966 brief from the client  
was for a building of high  
quality serving diverse and  
specialised needs and with flexi-  
bility for operational changes in  
the future. The seven-acre site  
is shared with the new building  
for the Liverpool Daily Post on  
an overall plan providing also  
for ancillary shopping and office  
development, new vehicular and  
pedestrian routes and a munici-  
pal car park for 1,100 cars.  
The working brief for the  
interior included, in addition to  
departmental office areas and  
their ancillary accommodation,  
a 200-seat lecture theatre,  
cinema, printing works, staff  
training centre, medical centre,



All office floors are open plan.

gymnasium, dining halls, coffee deep open plan, while the need entrance level and five floors master plan separating foot  
lounges and a computer centre to reduce vertical movement below housing servicing facili-  
of 38,000 square feet. from the entrance hall meant ties and car park.  
The form of the building grouping the largest and most A concourse with shops contains the conference hall and  
arose from the client's wish to densely populated departments serves the main entrance to cinema, training department  
house each major department at the lower levels; hence the both the Royal Insurance and computer centre. In the  
where possible on a floor of its irregular pyramidal form of the Liverpool Daily Post buildings level above are the dining  
c.v.n. This led to the develop- building mass. There are 11 and is linked to foot bridges rooms, coffee lounges and gym-  
ment on the office floors of the storeys above: the pedestrian which form part of the City's nasium. These two levels are

served by escalators in addition  
to the lifts. The general  
management suites are in the  
two topmost storeys, with seven  
floors of offices in between.  
The office floors are all on an  
open plan. Even the lift lobbies  
are not shut off from the floor  
by doors, there is a free passage  
flow through them from one  
part of the floor to another. The  
floors are close carpeted, the  
carpets being laid on plywood  
panels which are supported on  
battens to allow for a grid  
of telephone and electrical ser-  
vices. Walls of lift lobbies are  
panelled in vertically ribbed  
teak and external walls in a  
most attractive American  
cherry.

The ceiling treatment is most  
successful. The aim was to pro-  
vide a high standard of glare-  
free illumination with easy  
access to light fittings, the  
air conditioning system and  
other services combined with  
the creation of good acoustic  
conditions. Ceiling lighting  
troughs therefore comprise deep  
rectangular compartments which  
have the effect of breaking  
down an otherwise monotonous  
ceiling area.

The shell of the building was  
designed for insulation against  
changes in the outside tempera-  
ture. Windows were conse-  
quently kept to a minimum  
which accounts for their un-  
usually important place in the  
pattern of the exterior. They  
are narrow and of full floor  
height with wide splayed reveals  
giving the impression of greater  
size. Their height enables  
them to be seen from a distance  
across desk tops and filing  
cabinets.

An exception to the high and  
narrow windows occurs in the  
coffee areas on each office  
floor where a larger "picture"  
window is provided framing  
the fine views across the  
Mersey and towards the Welsh  
mountains.

Most of the heat requirement  
is represented as a by-product  
of the occupation. Heat from  
the lighting system and the  
computer complex is drawn off  
through lighting fittings into the  
return air duct of the air-con-  
ditioning system, then conveyed  
to large condensers where the  
excess heat is either dissipated  
by cooling water, or stored for  
re-use as domestic hot water.

The cooling water is drawn  
from the water that continually  
filters through the walls of the  
Mersey Rail Tunnel and which  
formerly was pumped straight  
back into the Mersey.

The total energy requirement  
of the building is enormous. In  
the event of a major power  
failure in the Merseyside elec-  
trical network, however, reserve  
generators would come into  
operation.

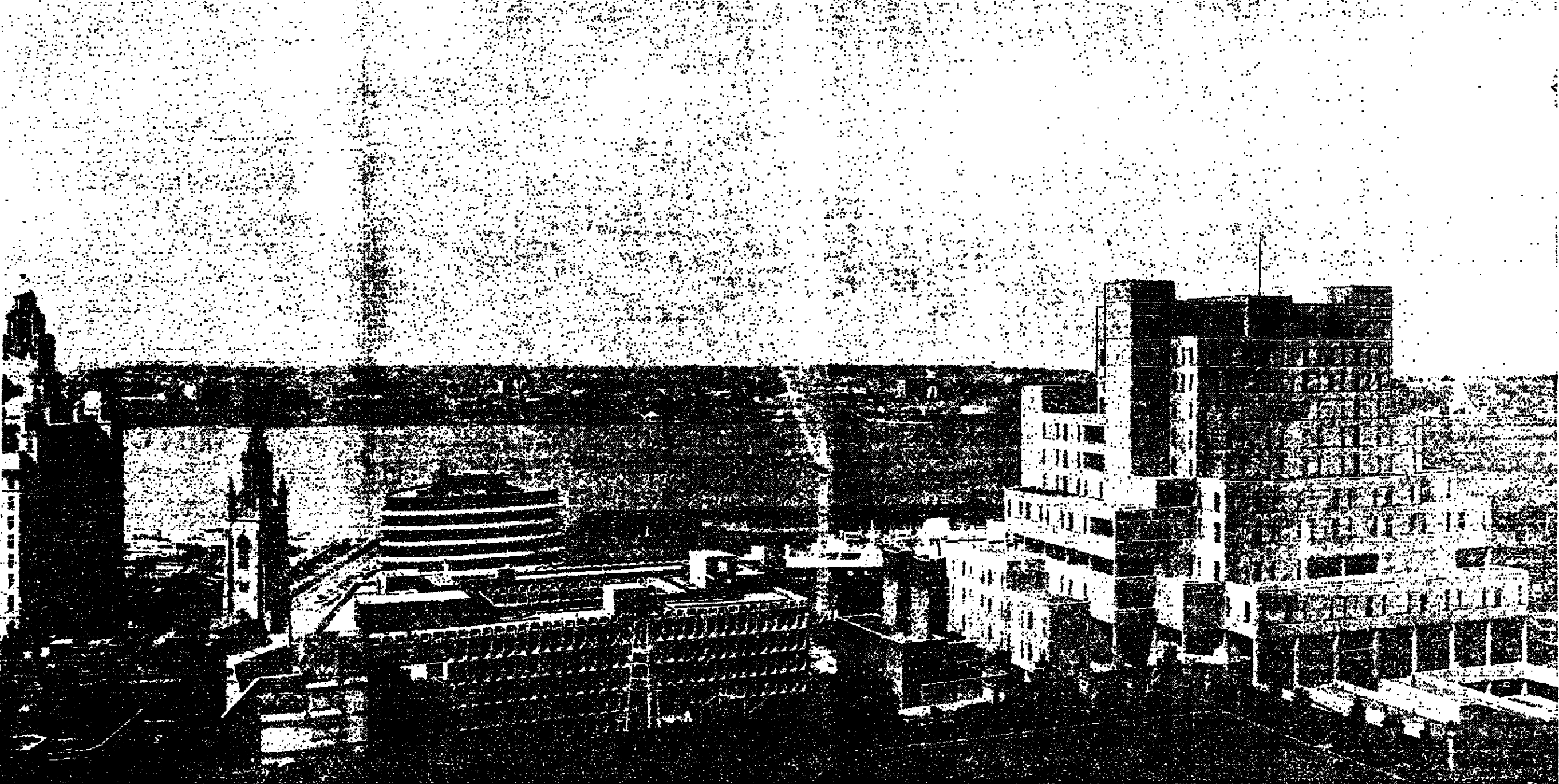
These would generate suffi-  
cient power to maintain  
mechanical air movement and  
emergency lighting throughout  
the building and to ensure that  
particularly vulnerable areas of  
operation, such as the computer  
complex, would continue to  
function.

That the high quality asked  
for by the client has been  
achieved is evident in every part  
of this handsome building.

## DESIGN AND CONSTRUCTION

- Architects:  
Tripe and Wakeham.
- Structural Engineers:  
Bingham Blades and Partners.
- Services Engineers:  
W. S. Atkins and Partners.
- Quantity Surveyors:  
Mercer and Miller.
- Contractor:  
Tyson-Haden Young.

# Building for today-and tomorrow



New Hall Place in Old Hall Street,  
Liverpool, is the new U.K. Head Office of  
Royal Insurance.  
It is one of the most modern-office  
structures in Europe, 266ft. and 17 storeys tall,  
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floor working space, including a 28,000 square  
feet computer complex in continual direct

communication with Branches countrywide.  
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network of 250 offices providing insurance  
protection and advice throughout the U.K.  
With a reputation for unrivalled security  
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society - can be assured...



## Royal Insurance

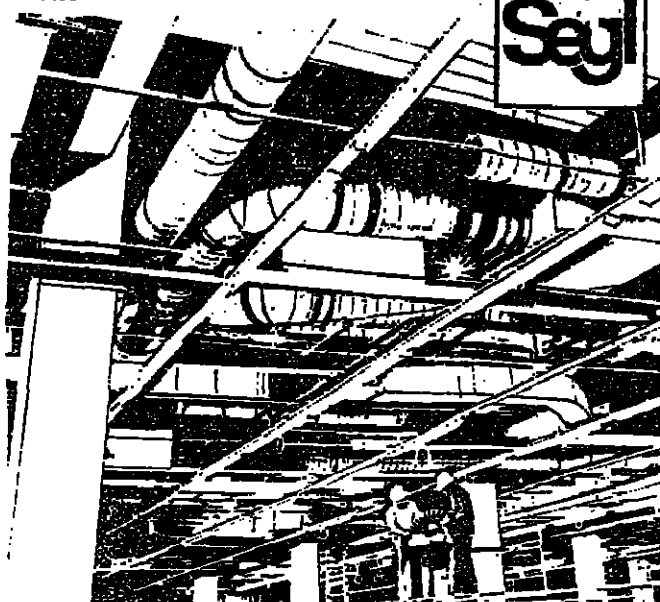
looks after you. Fast



## 35 miles of breathing space

Only Hargreaves of Bury—Britain's biggest ductwork contractors—had the technical expertise and vast resources to fulfil the air conditioning contract for the Royal Insurance Company's new Head Office at Liverpool. Involving 35 miles of ductwork weighing 615 tons the system provides a minimum of 8 air changes every hour with 20 in the computer suite and will ensure ideal working conditions throughout the building.

Mechanical Services Contractor—Haden Young Ltd.



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Haden Young, joint main contractors with Tysons (Contractors) Limited, are proud to have been associated with the provision of M & E services at the Royal Insurance's new UK headquarters, Liverpool. Haden Young, incidentally, are the largest and most experienced building, industrial process engineering services company in Europe.



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Name \_\_\_\_\_

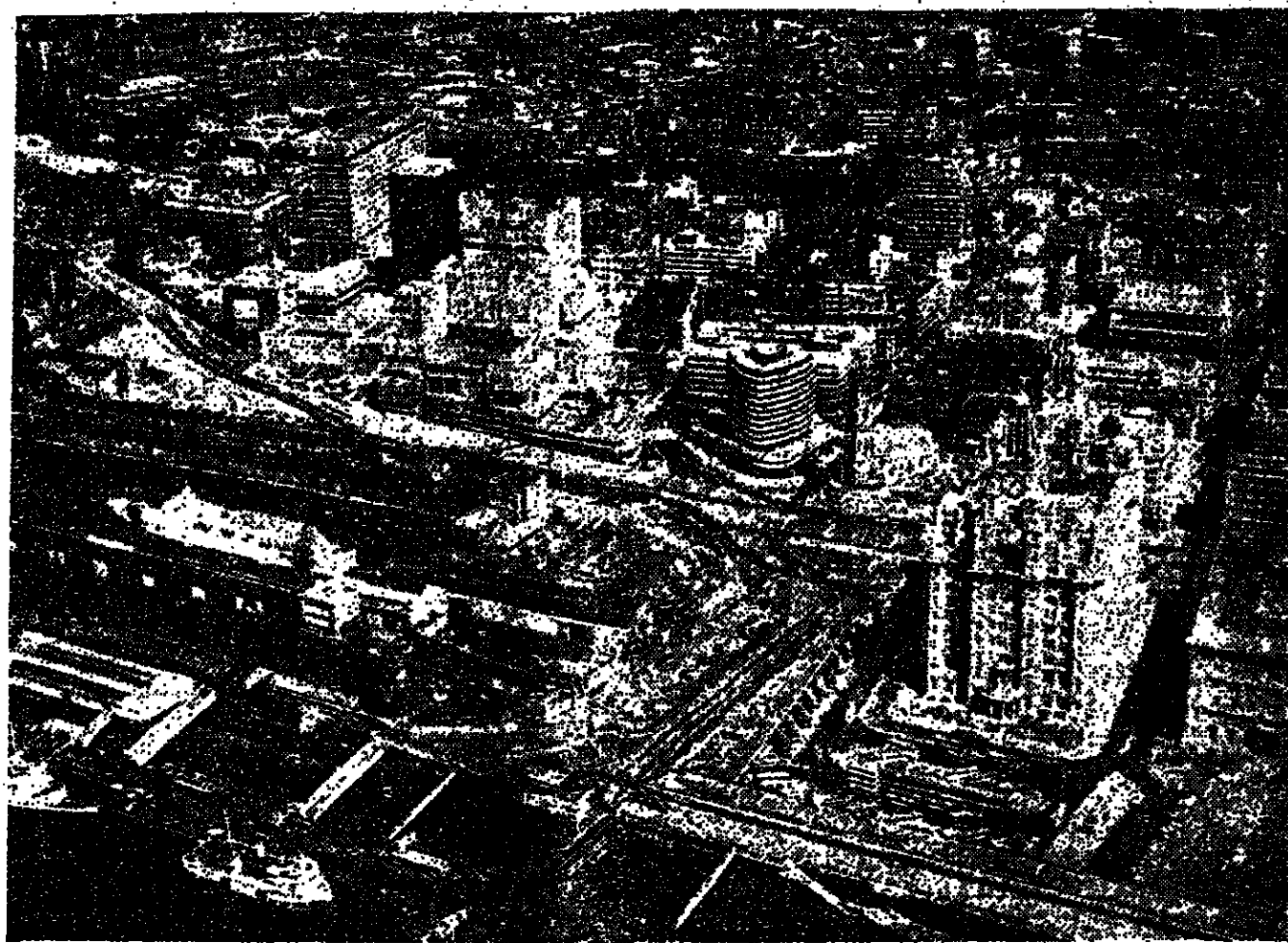
Position \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

HEAL'S CONTRACTS

## MERSEYSIDE DEVELOPMENT II



Aerial view showing (right foreground) the Liver Building and (left centre) the Royal Insurance HQ and its neighbour the Liverpool Daily Post and Echo. (Photo: John Mills Photography Ltd.)

## Virtues of office design to order

SPECULATIVE office development has rightly been blamed for some of the worst architecture Britain has produced since the war. It is quite possible to produce handsome exteriors without knowing who will tenant a building, and it is sometimes possible to produce a working environment within which will serve the needs of a particular business. Too often, though, the lowest common denominator approach of developers has produced offensive exteriors and working conditions within which have rapidly deteriorated and lacked flexibility.

In the last decade, whatever other abuse has been heaped on their heads, some speculative developers have made genuine efforts to improve the quality of their product. In part, this is because tenants have begun to show that, apart from the boom periods of acute shortage of space, they are prepared to discriminate and, with a growing sophistication of clerical work systems, are prepared to pay premium rents for intelligently shaped interiors. In part, the improvements stem from institutions adopting more rigorous investment criteria. In part, the improvements stemmed from the odd developer who, expecting anyway to make large profits, was prepared to sacrifice something financially in order to own something he was proud of.

But the British habit of leasing rather than owning buildings, coupled with the unusually dominant powers which landlords have built up in the length and conditions of tenancies, mean that the problems will remain. For the most part it is only the largest and wealthiest industrial or commercial groups which design and build offices to their own requirements and even then they are likely to regard the capital tied up in such projects as better used for their direct business, so that they pass the buildings on to institutions in sale and leaseback deals.

It is possible, at present, that because of a lowering in property values and because of increased worries about the inflationary trend of rates as well as rents in the long term, that the balance is swinging back slightly towards owner occupation. But it would represent a major shift in financial thinking if this were to last long. British business is likely to remain a rent paying community. To take the most office area of the country, the City of London, about 85 per cent of its 500,000 square feet of offices is subject to tenancies.

The major exceptions to the rule come where the business itself is an investing institution. The prime example is the insurance industry and Britain is littered with monuments to a spirit of designing buildings for the companies' and societies' own use, for their own advertisement, and to provide the assets which back the policies they sell.

The life companies and the composites have played their part in this and, although from the earliest days the insurers must have had a more finely developed sense of caution and of sound property finance than most clients, they also appear to have had a greater sense of patronage. There is a style about the major insurance office buildings, whether one likes the treatment or not, which is seldom found in a speculative development. The

supposed primeness and conformity of insurance chiefs has often been belied by the grandeur which they encouraged their architects to effect. To-day, the more Gothic follies of previous generations, or whatever their modern equivalent might be, are out of tune with both the motivation and method of modern business. Proportion, not decoration, is the architectural key (to be appreciated in the view of this building from across the Mersey, or as its pyramid builds up massively above Burnford Place). And these proportions are directly governed by the use of the building.

What the Royal needed when it decided on this new headquarters building in the mid-1960s was an administrative centre of a world business which operates in 83 countries, employs more than 22,000 people and writes policies in 17 different languages. It is a communications and management centre and from very early on the scheme the administrative structure of the company began to influence the shape the buildings had to take. If administrative needs were likely to remain static, it might have developed as a very different structure. But insurance, as much as any commercial exercise, mirrors society, and society has a habit of changing faster than any forward planning can allow for. The Royal's share of the world's marine insurance market might radically change in a few years in comparison with its aviation or its motor business. Its life and pensions side might be dramatically altered by government legislation. Overall growth, or the balance of growth between one department and another is not something that can be forecast a decade ahead, and it is only a little easier to forecast what changes in business systems, which entirely alter space requirements, will take place in the same period.

The flexibility which natural daylight allows in office design is limited. When it comes to an administrative complex as large as this, in which individual departments may employ several hundred people, that limitation becomes crucial. Flexibility to allow expansion and contraction of different work groups, and at the same time the need for large departments with ease of communication, are requirements it is hard to match by natural daylight which provides adequate light only 15 feet or 20 feet into a building if the highest standards are being imposed.

To meet acceptable levels in most multi-storey office blocks built since the war, a relationship between room depth, window size and ceiling height was established. The cheap capital cost of external finishes and the maximising of room depths led to larger glazed areas to achieve the right amount of daylight. The results have too often been a low level of thermal insulation in winter and too much solar heat gain in summer. Glare and sunlight are other complaints and over much of the rest of the year natural daylight is of a low quality.

### Apparent

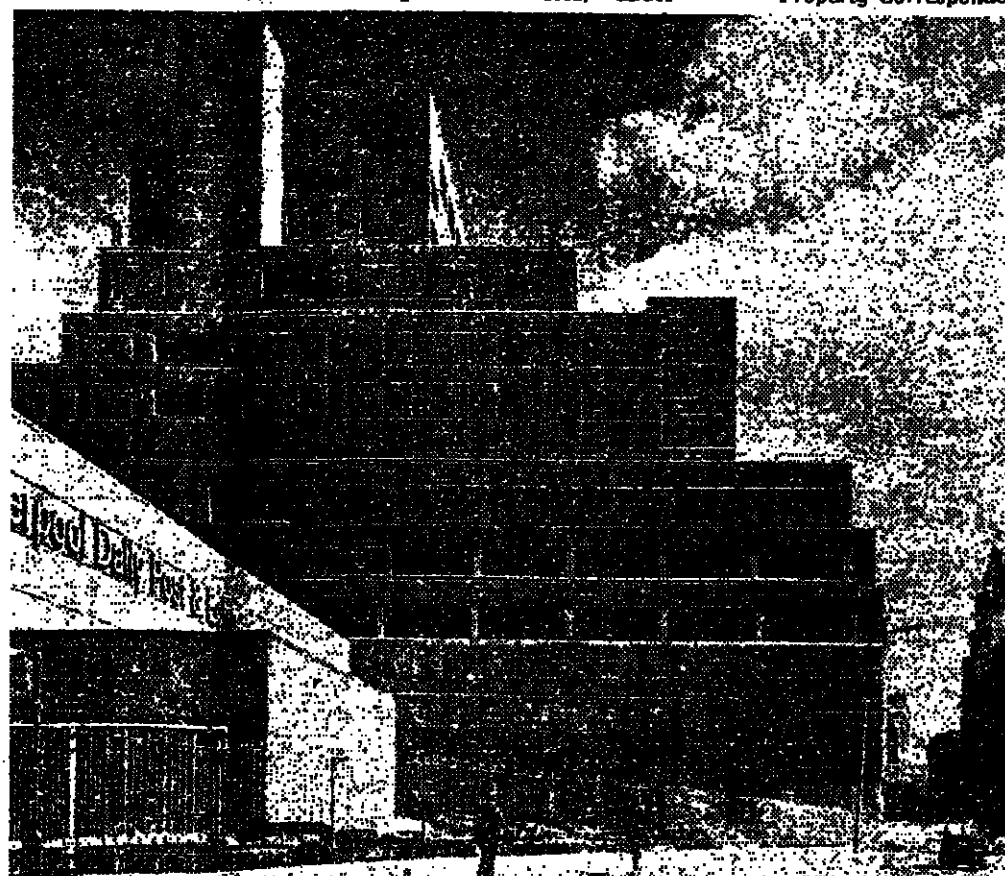
One can quickly appreciate how the administrative needs of large flexible areas of space do not marry with a reliance on natural sunlight and in this building, from a very early stage in the project, the need for a "deep open plan" system became apparent, linked with the ability to create a controlled environment.

What the ingenuity of the architects and the most modern technology have created is a building whose "stepped pyramid of irregular profile" mirrors the administrative structure of headquarters staff.

Thus the design of the main phase of the building is based on the broad organisational pattern, that is management, administration, underwriting and servicing. Those areas which form the services for the predominantly office areas, such as archival filing, car parking, stationery storage and maintenance, are sited at lower levels close to service access and where heavy loadings are more easily accommodated.

The largest and most heavily populated office floors—life, management services, under-

Quentin Guirham  
Property Correspondent



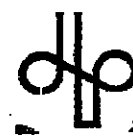
View showing the very tidy and well-knit concrete panelling and the interesting window pattern.

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## MERSEYSIDE DEVELOPMENT III

# Old Hall Street in new guise

INSURANCE started writing fire and life policies in 1845. Princess Old Hall Street, social problems are being recognised in 1945. Princess Old Hall Street, social problems are being recognised in 1945. Princess Old Hall Street, social problems are being recognised in 1945.

Three points can be made which may reflect on the future: the old office building is being recognised in 1945. Princess Old Hall Street, social problems are being recognised in 1945. Princess Old Hall Street, social problems are being recognised in 1945.

The new Royal Insurance headquarters is back near Old Hall Street. The old office building is being recognised in 1945. Princess Old Hall Street, social problems are being recognised in 1945. Princess Old Hall Street, social problems are being recognised in 1945.

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### Escalated

Over such a period costs have inevitably escalated to something over £15m. That should not depress those responsible for the decision to build, but for the arithmetic which underlined their thinking. If anything, the cost escalation has been even more in Liverpool's favour over the intervening period. Prime cost sites were perhaps some 40 times greater in London than in Liverpool. Building costs have escalated faster in the capital. And while London's communications and transport have probably declined over the last decade, Liverpool's has improved, while staff recruitment is unquestionably easier and cheaper. In terms of general timing, to start the whole project today in Liverpool would double costs.

Where the precise location in Liverpool has been proved a

## Working environment

ing will heat itself with an external temperature just below freezing. To re-distribute the heat there is a fully ducted flow and return air system which, in addition to re-circulating air from within the building, draws in fresh air from outside. The surplus heat being rejected is subject to a novel cooling process which involves using sewage water from the Mersey Rail Tunnel as a coolant to absorb the excess heat generated in the refrigeration condensers. The Mersey water used was previously pumped back into the river as waste at a rate of 3,000 gallons a minute.

The highly elaborate heat exchange system and the many miles of pipes and ducts, the many fans and motors, air handling plants, sensors and heating batteries, are all scanned on an electronic data monitoring system at the heart of the building.

The building's controller can check temperatures and humidity in any area. The occupants can provide a control system can be programmed to provide a set point of 70 degrees F about the year. In practice, the system automatically takes into account the inside and outside air temperatures, switch lighting on or off and reduce it for periods

of cleansing and maintenance. Perhaps more important, the system constantly monitors the security of the building and its safety.

The safety factors include, for fire, wet and dry type pre-act sprinkler systems and gas flooding systems in the computer suites, with smoke detectors in the open offices.

It is the very openness of the offices through the building's floor area of over 500,000 sq ft, which has perhaps given the working staff most pause for thought. Deep open planning is, for many, the start of a quite new experience. It has also, of course, been the subject of long discussion among the planners of the headquarters project.

Indeed the necessity for the flexibility which such floor areas allowed, plus regular contact between staff of large departments, was central to the basic design principles of the building.

Work flow patterns, individual space needs, environmental requirements and service facilities had to be integrated and translated into departmental sizes and floor areas. But within such requirements, the difficulty is to create adequate privacy.

The use of subjective space and a work station concept have produced something which the planners hope combines both the advantages of open plan in terms of better environment and better communications with colleagues, and yet has not lost the privacy necessary for ease of mind and for concentration.

What makes this possible is, beside the informality to allow for individual needs, the provision of really attractive, though integrated, systems of screens, carpets, plans etc., coupled with similarly integrated but flexible furniture.

This is expensive, normally well outstripping equivalent costs in a conventional office. But then it has to be looked at against the costs of engineering the periodic changes which any conventional office has to go through as its users' needs change—the partitioning and electrical and mechanical work

often involved, almost all of them removed in an open plan concept.

Perhaps more basically, such costs have to be weighed against the whole point of trying to design the optimum building for a particular organisation. The final product should be an environment which improves efficiency, with its occupants achieving maximum output with minimum personal stress. Against the cost of the wages of those occupants, and the possible gains in efficiency, the costs of fairly luxury fittings become, if the scheme has been a success, almost irrelevant.

Within a building where windows are not used for light, but only to maintain a visual link with the outside world, that link is maintained by circulation paths around the perimeter of each floor providing access to the full height windows and their views across the city and the river. To provide a change from the workspaces, each floor contains amenity areas for rest and for refreshment and in these areas contrasting colours are used.

Among the many interesting engineering concepts included are the system of escalator access to the largest floors in addition to the central lift core; a telecommunications system connected to the group's branches; a centralised dictation system; and a system of background masking noise called "white sound" which can be adjusted to meet varying degrees of confidentiality.

Much of detail of the interior will doubtless change over the life of this building. The point of creating a deep open plan system within a controlled environment is largely to allow for changing needs and changing systems of work. But as of today, once any teething-troubles are ironed out, it represents one of the country's most imaginative, as well as largest, attempts to improve conditions for office workers.

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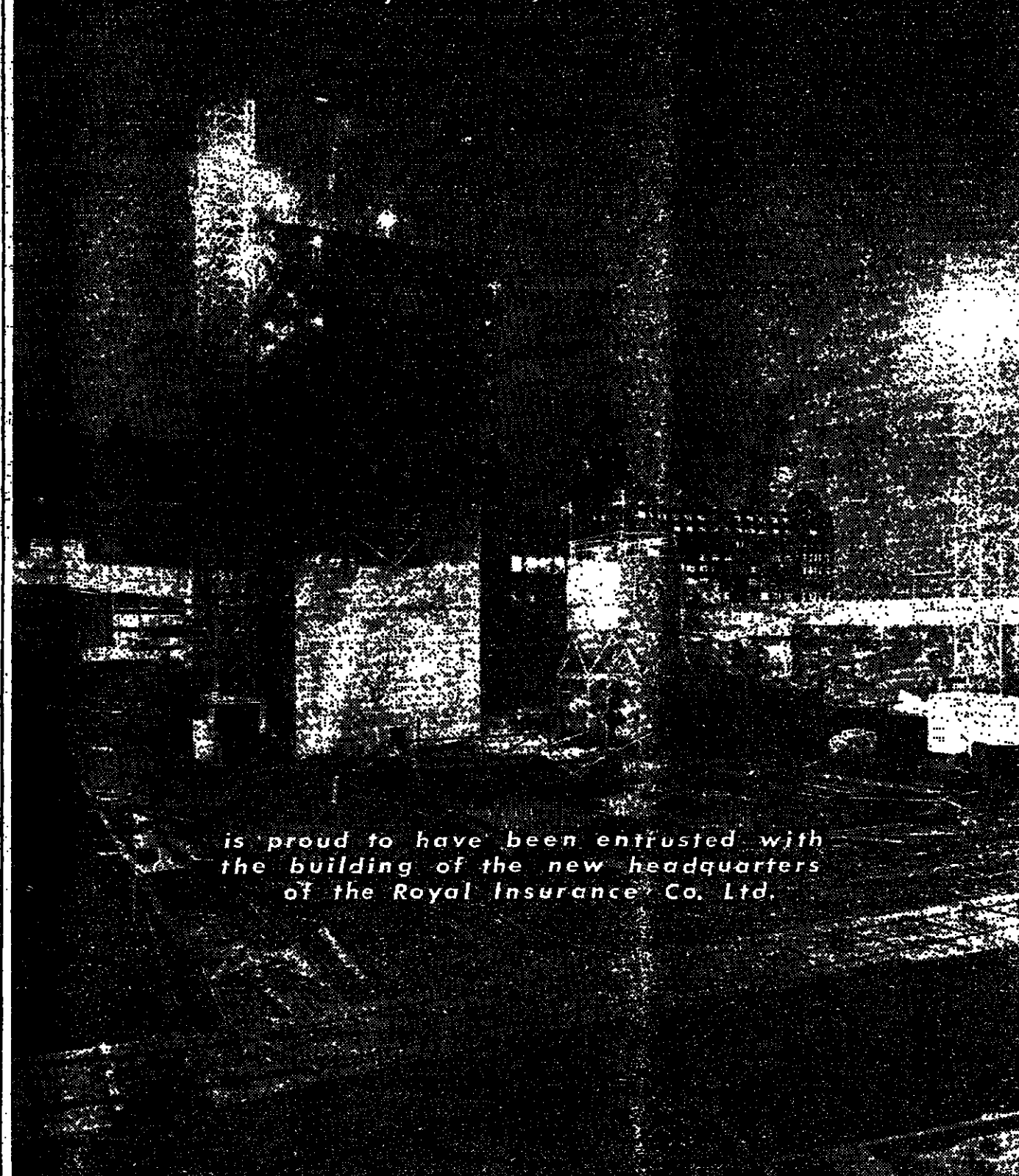
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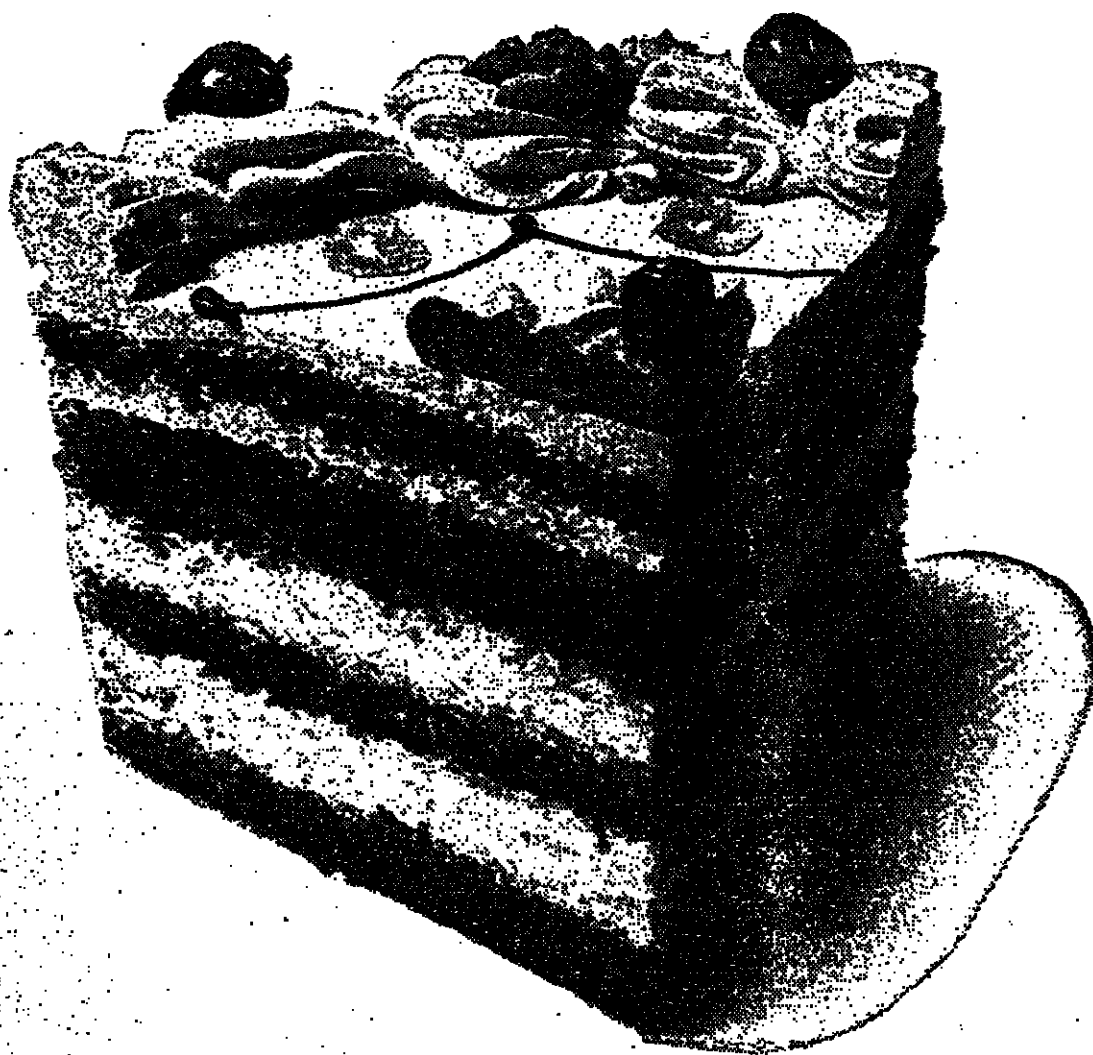
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## WALL STREET OVERSEAS MARKETS

## No consolidation of early gains

BY OUR WALL STREET CORRESPONDENT

STOCKS, higher in the morning, turned mixed at midday. Advancing issues held a six-to-five lead over declines, but most popular averages were in slow retreat.

At 1 p.m. the Dow Jones Industrial Average was down 3.03 at 956.51 and the NYSE All Common Index had lost 3 cents to \$11.49. Turnover was about 8m. shares.

Some analysts said the market appeared to be in "holding" for the year ended May 31 would pattern, perhaps awaiting initial

Closing prices and market reports were not available for this edition.

Samplings of first-quarter corporate earnings which could come late this week.

Natamex fell \$2 to \$281 among the Oils, but Superior Oil rose \$4 to \$185, and Mesa Petroleum was \$11 higher at \$207.

Asarco Inc., a volume leader, gained \$1 to \$191.

FRIDAY'S ACTIVE STOCKS

Change in price, %

Dow Chem. 397.00 139 +

Sim. Pat. 297.00 139 +

Am. Tel. Tel. 297.00 139 +

Guil. Oil 297.00 139 +

Am. Home Pr. 297.00 139 +

Am. Gas 297.00 139 +

Am. Sugar 297.00 139 +

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Am. Bond Yield 297.00 139 +

Am. Gov. Bond Yield 297.00 139 +

Am. Corp. Bond Yield 297.00 139 +

Am. Total Yield 297.00 139 +

## OTHER MARKETS

## Canada mixed

Canadian stock markets were mixed in light to moderate trading yesterday at midday.

Industrials moved 0.18 higher to 187.15, Base Metals 0.32 to 91.50, and the 30-stock index 0.02 to 119.18.

But Golds fell 0.31 to 274.03 and Western Oils were 0.54 down at 231.84.

In Banks Canadian Imperial was up \$1 to \$35 and Bank of Montreal ahead \$1 at \$151.

PARIS—Steady to mixed in very quiet trading with Banks,

other Financials, Foods, Stores and Metals steady.

Most other sectors were mixed. Oils gained and Construction, Oil gained.

In the foreign sector Americans, Coppers and Golds weakened. Oils were mixed and BASF led Germans slightly higher.

BRUSSELS—Closed mixed to higher after continued calm trading.

Gains predominated among Non-Ferrous Metals where Union

Milners put on B.Frs.22 to B.Frs.117.2, Asturienne was up

B.Frs.38 to B.Frs.393 and Vieille Montagne rose B.Frs.15

B.Frs.430, while Bobekien fell B.Frs.20 to B.Frs.345.

In Mixed Steels, Cockerill gained B.Frs.8 to B.Frs.814 and Arbed declined

B.Frs.14 to B.Frs.4035.

Chemicals finished narrowly mixed. Oils traded with Petrobras

up B.Frs.40 to B.Frs.5120. In generally steady Holdings, Societe

Generale gave up B.Frs.25 to B.Frs.425.

Stores eased.

U.S. shares finished narrowly mixed and South African Golds

were irregular. Dutch, French and German shares all firmed a little.

AMSTERDAM—Closed firmer in dull trading on lack of company

news and lack of interest in the

closure. Dutch Internationals were firmer with the exception

of Akzo which eased.

Elsewhere Industrials and most

Transportations firmed. Industrials and Trading shares were

unchanged to firmer. Banks and Insurance were mixed.

State loans continued to fall

although lower. Holding

authority issues were well

maintained.

COPENHAGEN—The market

closed generally higher in very

active dealings.

GERMANY—Prices were mostly

higher at the close.

Deutsche Bank was a leading

gainer, ending on DM5.90 to close

at 24.20. Other banks also

gained. Commerzbank was up

DM1.50 to 182.30 and Dresdner up

DM1.20 to 207.

Electricals advanced. AEG was

up DM1.30 to 256.50, Siemens

NEW YORK, July 6

S.Frs.2.70, respectively. Arms

and Machine-maker Breda was

off S.Frs.3 at S.Frs.1815.

In Pharmaceuticals, Sandoz rose

S.Frs.25 to S.Frs.5250, while

Giba-Geigy Bearer shares fell

S.Frs.15 to S.Frs.345.

Nestle rose S.Frs.3 to S.Frs.345

and Motor Columbus added

S.Frs.10 to S.Frs.1930.

MILAN—Closed mixed in

regular dealings after a very

active opening.

Industrial leaders were

generally higher although Pirelli

was marginally lower and

Enel, Olivetti and Sella

Viscopi were unchanged. As

Amcuzioni General lost ground

in Insurance as did Mediobanca

and Banca di Sicilia were all

firmer.

Bonds were selectively higher

in regular trading.

HONG KONG—Prices closed

unchanged to slightly lower on

profit-taking in fairly active

trading after holding firm for

most of the day.

Continued good business in

Jarvis Macdonald was due in part

to overseas buying interest.

Jardines closed 10 cents down

at \$HK21.90.

TOKYO—Closed mixed after

straining initially, as investors

became cautiously towards high

price levels.

Electricity, Motors and some

other Blue Chips closed easy on

liquidations.

Sony, TDK Electronics, Toyota

Motor, Honda Motor, Fuji Photo

Optical and Helwa Real Estate

lost ground.

Textiles, Chemicals, Nonferrous

Metals and Steels were generally

higher in view of a recovery in

domestic commodity markets, and

Petroleum also firmed, reflecting

the yen's rise against the dollar.

JOHANNESBURG—Gold shares

were quiet on general lack of

## FOREIGN EXCHANGES

Sterling firm

Sterling maintained its recent

firmness in the foreign exchange

market yesterday, gaining 7.7

against the U.S. dollar, and

other major currencies. Trading

was not heavy but the recent

steady buying of sterling con

ditions and the light conditions

in the forward market were

allowed to ease slightly by the

authorities. The pound opened

at \$1.905-1.907, touched \$1.905

1.908 during the morning, and

remained around \$1.905-1.906

until the afternoon, when it

rose to \$1.907-1.908, pushed

the pound down to \$1.905-1.906

at the close, a gain of 40 points

on the day. This is the first time

that sterling has closed above the

\$1.90 level since May 29.

The pound's trade-weighted

average depreciation since the

Washington Currency Agreement

as calculated by the Bank of

England, narrowed to 38 per cent

from 38.3 per cent, and stood at

38 per cent at noon and in early

dealings.

The three-month pound

contract against the dollar eased to

3.30 cents from 3.35 cents.

Most major currencies showed

little overall change in terms of

the dollar, though the U.S. spot

initial weakness was reversed

by the afternoon. The dollar

trade-weighted average depreciation

since the Washington Agree

ment as calculated by Morgan

Guaranty of New York, widened

from 2.01 per cent to 2.04

per cent last Friday.

Intervention by the Bank of

Japan may have checked any

advance by the yen, which

finished unchanged against the

dollar at ¥206.35, its appreciation

on the Morgan Guaranty basis

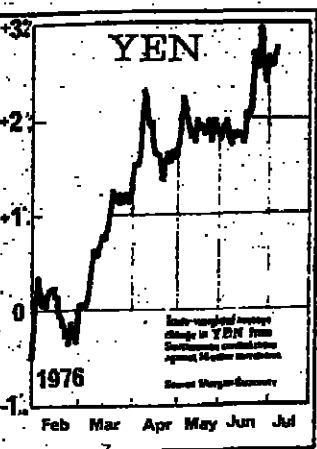
widened to 2.79 per cent

from 2.51 per cent last Friday.

Gold gained \$1 to close at

\$122.123, and the Kruggerand's

premium over its gold content



YEN

1974

Feb Mar Apr May Jun Jul

Source: Morgan Guaranty

Based on Morgan Guaranty

basis, 100 Yen = 1 Dollar

1 Yen = 1/100 Dollar

1 Dollar = 100 Yen

1 Pound = 100 Yen

1 Franc = 100 Yen

1 Mark = 100 Yen

1 Swiss Franc = 100 Yen

1 Australian Dollar = 100 Yen

1 New Zealand Dollar = 100 Yen

1 Hong Kong Dollar = 100 Yen

1 Singapore Dollar = 100 Yen

1 Thai Baht = 100 Yen

1 Indian Rupee = 100 Yen

1 Pakistani Rupee = 100 Yen

1 Bangladeshi Taka = 100 Yen

1 Sri Lankan Rupee = 100 Yen

1 Malayan Ringgit = 100 Yen

1 Indonesian Rupiah = 100 Yen

1 Philippine Peso = 100 Yen

1 Thai Baht = 100 Yen

1 Indian Rupee = 100 Yen

1 Pakistani Rupee = 100 Yen

1 Bangladeshi Taka = 100 Yen

1 Sri Lankan Rupee = 100 Yen

1 Malayan Ringgit = 100 Yen

1 Indonesian Rupiah = 100 Yen

1 Philippine Peso = 100 Yen

1 Thai Baht = 100 Yen

1 Indian Rupee = 100 Yen

1 Pakistani Rupee = 100 Yen

1 Bangladeshi Taka = 100 Yen

1 Sri Lankan Rupee = 100 Yen

1 Malayan Ringgit = 100 Yen

1 Indonesian Rupiah = 100 Yen

1 Philippine Peso = 100 Yen

1 Thai Baht = 100 Yen

1 Indian Rupee = 100 Yen

1 Pakistani Rupee = 100 Yen

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1 Malayan Ringgit = 100 Yen

1 Indonesian Rupiah = 100 Yen

1 Philippine Peso = 100 Yen

1 Thai Baht = 100 Yen

1 Indian Rupee = 100 Yen

1 Pakistani Rupee = 100 Yen

1 Bangladeshi Taka = 100 Yen

1 Sri Lankan Rupee = 100 Yen

1 Malayan Ringgit = 100 Yen

1 Indonesian Rupiah = 100 Yen

1 Philippine Peso = 100 Yen

1 Thai Baht = 100 Yen



COMMODITIES AND RAW MATERIALS

iddle East  
ys more  
K. broilers

Peter Bullen

FACTS FOR the export of broilers from the Middle East were published yesterday.

Bill Eastwood, chairman of the poultry export, said that the deal, which brought export orders from the East for this year to 1980, was a significant step.

He said that the U.K. had self-sufficient in poultry supplies and with output per hen running at 10 to 12 per cent higher than in 1976, the export would take up a valuable 51 per cent. The rest of the output would be taken up by increased consumption.

Eastwood said that the 1980 orders cover the 1979-80 season, which is the last year of the U.K. self-sufficiency in poultry supplies and with output per hen running at 10 to 12 per cent higher than in 1976, the export would take up a valuable 51 per cent. The rest of the output would be taken up by increased consumption.

atinum  
ice rise

Our Commodities Editor

SE in the world price of platinum, from \$155 to \$170 an ounce, was announced yesterday by the International Platinum Council.

The price rise, which was the first since 1976, was due to a combination of factors, including a shortage of supply and increased demand.

The council said that the price rise was a result of a combination of factors, including a shortage of supply and increased demand.

IGGER TAIWAN  
ICE CROP

TAIPEI, July 6

Jwan's first rice crop this year will total 1.37m. tonnes, 10 tonnes more than in the period last year, the Taiwan News Agency said here.

Australia increases wool  
'floor' price by 14%

BY PETER BULLEN

THE AUSTRALIAN Government announced yesterday that it had increased the 'floor' price for Australian wool by 14 per cent.

The new floor price, which will be applied to all types of wool, is 250 cents per kilo.

The increase was announced by the Australian Wool Board, which is responsible for the wool industry in Australia.

The board said that the increase was necessary to ensure that the wool industry remained profitable.

General rise in metal prices

BY JOHN EDWARDS, COMMODITIES EDITOR

THERE WAS a general rise in metal prices on the London Metal Exchange yesterday, as buying interest built up.

The price of tin rose by 10 pence to 1,100, while the price of copper rose by 5 pence to 1,100.

The price of zinc rose by 10 pence to 1,100, while the price of lead rose by 5 pence to 1,100.

The price of aluminium rose by 10 pence to 1,100, while the price of nickel rose by 5 pence to 1,100.

Sugar leads  
commodity  
price rise

By Richard Mooney

SUGAR PRICES on the London terminal market reached new 11-month peaks yesterday as part of a general rise in soft (non-bean) commodity values.

The price of sugar rose by 10 pence to 1,100, while the price of coffee rose by 5 pence to 1,100.

The price of tea rose by 10 pence to 1,100, while the price of cocoa rose by 5 pence to 1,100.

FT COMMODITIES CONFERENCE

No sudden price  
boom expected

BY ANDREW TAYLOR

THE GOVERNMENT yesterday denied that it had adopted a fixed percentage limit to non-trade speculation in commodity markets.

Mr. Robert MacLennan, Under Secretary of State for the Department of Prices and Consumer Protection, said a report to this effect was 'totally unfounded'.

He said that the government was not planning to introduce any such limit.

MacLennan said that the government was not planning to introduce any such limit.

U.K. potato  
shortage fear

By Our Commodities Staff

UNLESS it rains in the next 10 days, Britain could face another potato shortage, a farming expert warned yesterday.

The expert said that the potato crop was still very much at risk.

He said that the potato crop was still very much at risk.

Key EEC meeting on milk tax plans

BY ROBIN REEVES

THE COMMON MARKET's 13-nation Executive Commission is due to decide tomorrow whether to press ahead with plans for curbing the EEC's perennial dairy surpluses by taxing milk producers.

The commission is expected to reach a decision by the end of the day.

Canadian markets

Barley, rye  
and oats  
improve

WINNIPEG, July 2

Barley, rye and oats prices improved in Canadian markets yesterday.

The price of barley rose by 10 pence to 1,100, while the price of rye rose by 5 pence to 1,100.

The price of oats rose by 10 pence to 1,100, while the price of wheat rose by 5 pence to 1,100.

Brazil buys  
more wheat  
from Canada

RIO DE JANEIRO, July 6

BRAZIL BOUGHT a further 300,000 tonnes of wheat under its three-year contract with Canada, according to a Wheat Board spokesman.

The spokesman said that the wheat was to be used for animal feed.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

	Official	Unofficial	Change
Copper	1,100	1,100	+5
Lead	1,100	1,100	+5
Nickel	1,100	1,100	+5
Aluminium	1,100	1,100	+5
Zinc	1,100	1,100	+5

GRAIN

	Official	Unofficial	Change
Wheat	1,100	1,100	+5
Rye	1,100	1,100	+5
Oats	1,100	1,100	+5

COFFEE

	Official	Unofficial	Change
Arabica	1,100	1,100	+5
Robusta	1,100	1,100	+5

TEA

	Official	Unofficial	Change
Assam	1,100	1,100	+5
Darjeeling	1,100	1,100	+5

COCOA

	Official	Unofficial	Change
Forwards	1,100	1,100	+5
Options	1,100	1,100	+5

RUBBER

	Official	Unofficial	Change
Latex	1,100	1,100	+5
Sheet	1,100	1,100	+5

SOYABEAN MEAL

	Official	Unofficial	Change
Forwards	1,100	1,100	+5
Options	1,100	1,100	+5

SUGAR

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Darjeeling	1,100	1,100	+5

PRICE CHANGES

Metals

	July 6	July 7	Change
Copper	1,100	1,100	+5
Lead	1,100	1,100	+5
Nickel	1,100	1,100	+5
Aluminium	1,100	1,100	+5
Zinc	1,100	1,100	+5

Grains

	July 6	July 7	Change
Wheat	1,100	1,100	+5
Rye	1,100	1,100	+5
Oats	1,100	1,100	+5

Oil

	July 6	July 7	Change
Crude	1,100	1,100	+5
Refined	1,100	1,100	+5

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Oats	1,100	1,100	+5



## Leaders encounter profit-taking after early mark up

### Share index down 2.2 at 390.3 — Reaction in Oils

**INSURANCE RATES**  
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**An article in the JULY issue**

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## OFFSHORE AND OVERSEAS FUNDS

<b>Lamy Fund Management Co. Ltd.</b> P.O. Box 1540, Hamilton, Bermuda. Alpha Fund July 1964 £425	<b>Corahill Inc. (Guernsey) Ltd.</b> P.O. Box 157, St. Peter Paul, Guernsey 1st June 1964 £159.50 £15.95	<b>Hambros (Guernsey) Limited</b> P.O. Box 81, St. Peter Paul, Guernsey 1st June 1964 £308.89 £30.89	<b>Kleinwortz Benson Limited</b> 20, Fenchurch St., E.C3 Barbican, Lk. F. Dobermann £1,000 £4.15 Dobermann £500 £2.08 Dobermann £250 £1.04	<b>Old Court Commodity Fd. Mgrs. Ltd.</b> P.O. Box 24, St. John's, C. Guernsey 0481 26741 O.C. Comdy Trust July 1964 £24.35	<b>Target Trust Mgrs. (Cayman) Ltd.</b> P.O. Box 710, Grand Cayman, Cayman Is. 7th July 1964 £197.54 £19.75
<b>Parthous Securities (C.I.) Limited</b> P.O. Box 154, Hamilton, Bermuda. Parthous General July 1964 £201.19 Parthous General July 1964 £201.19	<b>Delta Corp.</b> P.O. Box 3012, Nassau, Bahamas Delta June 1964 £195.23 £19.52	<b>Haput Management Ltd.</b> 305 St. Peter Paul, Guernsey H.K. Pk. U.T. July 1964 £322.36 £32.24	<b>Robinson &amp; Co. Ltd.</b> P.O. Box 154, St. Peter Paul, Guernsey Robinson & Co. Ltd. July 1964 £195.23 £19.52	<b>Property Growth Overseas Ltd.</b> 21 St. John, Gibraltar Property Growth Overseas Ltd. July 1964 £195.23 £19.52	<b>Tokyo Pacific Holdings N.V.</b> Tokyo Pacific Holdings N.V. NV, Curacao NAV per share June 28 1964 £195.23 £19.52
<b>Parthous Securities (C.I.) Limited</b> P.O. Box 154, Hamilton, Bermuda. Parthous General July 1964 £201.19 Parthous General July 1964 £201.19	<b>Delta Corp.</b> P.O. Box 3012, Nassau, Bahamas Delta June 1964 £195.23 £19.52	<b>Haput Management Ltd.</b> 305 St. Peter Paul, Guernsey H.K. Pk. U.T. July 1964 £322.36 £32.24	<b>Robinson &amp; Co. Ltd.</b> P.O. Box 154, St. Peter Paul, Guernsey Robinson & Co. Ltd. July 1964 £195.23 £19.52	<b>Property Growth Overseas Ltd.</b> 21 St. John, Gibraltar Property Growth Overseas Ltd. July 1964 £195.23 £19.52	<b>Tokyo Pacific Holdings N.V.</b> Tokyo Pacific Holdings N.V. NV, Curacao NAV per share June 28 1964 £195.23 £19.52
<b>Parthous Securities (C.I.) Limited</b> P.O. Box 154, Hamilton, Bermuda. Parthous General July 1964 £201.19 Parthous General July 1964 £201.19	<b>Delta Corp.</b> P.O. Box 3012, Nassau, Bahamas Delta June 1964 £195.23 £19.52	<b>Haput Management Ltd.</b> 305 St. Peter Paul, Guernsey H.K. Pk. U.T. July 1964 £322.36 £32.24	<b>Robinson &amp; Co. Ltd.</b> P.O. Box 154, St. Peter Paul, Guernsey Robinson & Co. Ltd. July 1964 £195.23 £19.52	<b>Property Growth Overseas Ltd.</b> 21 St. John, Gibraltar Property Growth Overseas Ltd. July 1964 £195.23 £19.52	<b>Tokyo Pacific Holdings N.V.</b> Tokyo Pacific Holdings N.V. NV, Curacao NAV per share June 28 1964 £195.23 £19.52

## NOTES

prices do not include \$ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. A Offered prices include all expenses. B Today's prices are based on offer price. C Estimated. D Today's selling price. E Distribution free of U.K. taxes. Offered price includes all expenses except agent's commission. F Offered price includes commission if bought through managers. G Previous day's price. % Net of tax on realised gains unless indicated by a. % Currency yield. S Suspended. 1 Single premium insurance bond.



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